



(Incorporated in the Republic of Singapore)
(Company Registration No. 198600740M)

**PROPOSED ACQUISITION OF COMPANIES
- UPDATE ON PROFIT GUARANTEE**

The board of directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 9 April 2018, 4 December 2018, 22 April 2020 and the circular to Shareholders of the Company dated 7 September 2018 (the “**Circular**”) in relation to the Proposed Acquisition (as defined in the Circular).

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as meaning as used in the Circular.

The Board wishes to inform the Shareholders that RSM Chio Lim LLP has finalised the consolidated audited financial statements of the Target Companies in relation to the financial year commencing from 1 March 2019 and ending on 29 February 2020 (“**FY2020**”).

Further to the Completion of the Proposed Acquisition on 4 December 2018 and the announcement dated 22 April 2020, the Board wishes to inform the Shareholders that based on the consolidated audited financial statements of the Target Companies as prepared by RSM Chio Lim LLP in relation to 1 March 2018 and ending on 28 February 2019 (“**FY2019**”) and FY2020, the Actual Profit for FY2019 and FY2020 amounted to S\$1,826,889.

The Actual Profit in FY2019 and FY2020 is less than the S\$3,000,000 guaranteed for FY2019 and FY2020 under the Profit Guarantee due to, amongst others, the on-going US-China trade dispute, audit adjustments in relation to depreciation and closing stock, and the adoption of the Group’s accounting policy by the Target Companies.

As the Actual Profit for FY2019 and FY2020 is less than S\$3,000,000, the requirement as provided under Section 2.3.2 of the Circular has not been met (“**Shortfall**”). In light of this, the Company has entered into an addendum to the Share Purchase agreement on 11 March 2021 (the “**Addendum**”). Pursuant to the Addendum, the Company will set off the Shortfall amount of S\$1,173,111 from the outstanding Consideration amount of S\$3,500,000 due to the Vendor and accordingly, pay the Vendor the amount of S\$2,326,889 at a later date mutually agreed by both Parties. The Company will also release the Restricted Shares to the Vendor in scrip after the signing of the Addendum. Save as mentioned above, the Company confirms that there is no material variation in the terms of the Proposed Acquisition.

By Order of the Board

Dato’ Sri Mohd. Sopiyan B. Mohd. Rashdi
Chairman
Advanced Systems Automation Limited
11 March 2021

*This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**Sponsor**”). This Announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGXST assumes no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made, or reports contained in this Announcement.*

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