

CIRCULAR DATED 24 OCTOBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

THIS CIRCULAR IS ISSUED BY ADVANCED SYSTEMS AUTOMATION LIMITED (THE "COMPANY"). IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise stated, capitalised terms on the cover of this Circular shall have the same meanings as defined in this Circular under the section entitled "Definitions".

The securities offered are issued by the Company, whose shares are listed for quotation on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company intends to list the Rights Shares and the Warrants Shares (each as defined herein), and the Sponsor (as defined herein) will be making an application on behalf of the Company to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares and the Warrants Shares to be allotted and issued pursuant to the Rights cum Warrants Issue, on the Catalist. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Rights Shares and the Warrants Shares on Catalist.

Companies listed on Catalist (as defined herein) may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional adviser(s).

This Circular does not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under any securities laws of such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders' approval for the Rights cum Warrants Issue at the Extraordinary General Meeting.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("CDP"), you do not need to forward this Circular together with the Notice of Extraordinary General Meeting ("Notice of EGM") and the accompanying Proxy Form to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular, together with the Notice of EGM and the accompanying Proxy Form, to be sent to the purchaser or the transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore on 10 April 1986)
(Company Registration Number 198600740M)

CIRCULAR TO SHAREHOLDERS in relation to

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 1,093,521,189 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.005 FOR EACH RIGHTS SHARE (AS DEFINED HEREIN), WITH UP TO 729,014,126 FREE DETACHABLE WARRANTS (AS DEFINED HEREIN), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.003 FOR EACH WARRANT SHARE (AS DEFINED HEREIN), ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AND TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES VALIDLY SUBSCRIBED AS AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Manager for the Rights Cum Warrants Issue



ZICO Capital Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201613589E)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	: Tuesday, 5 November 2024 at 3.00 p.m. (Singapore time)
Date and time of EGM	: Friday, 8 November 2024 at 3.00 p.m. (Singapore time)
Place of EGM	: SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2

TABLE OF CONTENTS

DEFINITION	3
LETTER TO SHAREHOLDERS.....	9
1. INTRODUCTION	9
2. THE RIGHTS CUM WARRANTS ISSUE.....	10
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	32
4. EXTRAORDINARY GENERAL MEETING.....	33
5. ACTION TO BE TAKEN BY SHAREHOLDERS.....	33
6. OFFER INFORMATION STATEMENT	34
7. DIRECTORS' RECOMMENDATIONS.....	34
8. DIRECTORS' RESPONSIBILITY STATEMENT	34
9. MANAGER'S CONSENT	34
10. MANAGER'S RESPONSIBILITY STATEMENT	34
11. DOCUMENTS AVAILABLE FOR INSPECTION.....	34
APPENDIX A – DETAILS OF THE IRREVOCABLE UNDERTAKINGS	A - 1
APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES	B - 1
APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL.....	C - 1
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	EGM - 1
PROXY FORM.....	P - 1

DEFINITION

In this Circular, the following definitions apply throughout unless the context otherwise requires, or unless otherwise stated:

<i>“AOF Group” or “Subscribers”</i>	: Collectively, AOF VCC and AOF I
<i>“AOF I”</i>	: Advanced Opportunities Fund I
<i>“AOF VCC”</i>	: Advanced Opportunities Fund VCC (acting for and on behalf of and for the account of AOF Singapore Opportunities Fund)
<i>“ARE”</i>	: Application and acceptance form for Rights Shares with Warrants and Excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights Cum Warrants Issue
<i>“ARS”</i>	: Application and acceptance form for Rights Shares with Warrants to be issued to Purchasers of the provisional allotments of Rights Shares with Warrants under the Rights Cum Warrants Issue traded on the Catalyst through the book-entry (scripless) settlement system
<i>“associate”</i>	: (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“ASTI”</i>	: ASTI Holdings Limited
<i>“ATM”</i>	: Automated teller machine of a Participating Bank
<i>“Board”</i>	: The board of directors of the Company as at the Latest Practicable Date or from time to time, as the case may be
<i>“Catalist Rules”</i>	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“Catalist”</i>	: The Catalist board of the SGX-ST
<i>“CDP”</i>	: The Central Depository (Pte) Limited
<i>“Circular”</i>	: This circular to Shareholders dated 24 October 2024
<i>“Code”</i>	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<i>“Companies Act”</i>	: The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time

DEFINITION

<i>“Company”</i>	: Advanced Systems Automation Limited
<i>“Constitution”</i>	: The constitution of the Company, as amended, modified or supplemented from time to time
<i>“controlling interest”</i>	: The interest of the controlling shareholder(s)
<i>“controlling shareholder”</i>	: A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact, exercises control over a company
<i>“Conversion Shares”</i>	: The Shares to be issued by the Company to the Subscriber(s) upon the conversion of Notes pursuant to the RCN Issuance
<i>“Deed Poll”</i>	: The deed poll to be executed by the Company constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrantholders
<i>“Directors”</i>	: The directors of the Company as at the Latest Practicable Date or from time to time, as the case may be
<i>“EGM” or “Extraordinary General Meeting”</i>	: The extraordinary general meeting of the Company to be convened and held at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2 on Friday, 8 November 2024, at 3.00 p.m. (Singapore time), notice of which is set out on pages EGM - 1 to EGM - 4 of this Circular
<i>“Entitled Depositors”</i>	: Has the meaning ascribed to it in Section 2.8.2 of this Circular
<i>“Entitled Scripholders”</i>	: Has the meaning ascribed to it in Section 2.8.3 of this Circular
<i>“Entitled Shareholders”</i>	: Entitled Depositors and Entitled Scripholders
<i>“EPS”</i>	: Earnings per Share
<i>“Excess Application”</i>	: Applications by the Entitled Shareholders for Excess Rights Shares with Warrants
<i>“Excess Rights Shares with Warrants”</i>	: Has the meaning ascribed to it in Section 2.2.2 of this Circular
<i>“Exercise Period”</i>	: Has the meaning ascribed to it in Section 2.4(d) of this Circular
<i>“Exercise Price”</i>	: The price payable for each Warrant Share upon the exercise of each Warrant, being S\$0.003, subject to certain adjustments in accordance with the terms and conditions of the Warrants set out in the Deed Poll
<i>“Existing Share Capital”</i>	: The existing issued and paid-up share capital of the Company comprising 654,041,509 Shares as at the Latest Practicable Date
<i>“Foreign Purchasers”</i>	: Purchasers of the Rights whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system
<i>“Foreign Shareholders”</i>	: Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior to

DEFINITION

	the Record Date, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<i>“FY”</i>	: Financial year of the Company ended or ending 31 December, as the case may be
<i>“Group”</i>	: The Company and its subsidiaries from time to time
<i>“ILAW”</i>	: Insights Law LLC
<i>“immediate family”</i>	: In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
<i>“Irrevocable Undertaking”</i>	: Has the meaning ascribed to it in Section 2.9 of this Circular
<i>“Issue Price”</i>	: The issue price of S\$0.005 for each Rights Share
<i>“Latest Practicable Date”</i>	: 18 October 2024, being the latest practicable date prior to the date of issue of this Circular
<i>“LCC”</i>	: Lim Chen Chong
<i>“LPS”</i>	: Loss per Share
<i>“LQN”</i>	: Listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrants Shares on the Catalist, to be issued by the SGX-ST
<i>“LSO Acquisition”</i>	: The acquisition by the Company of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. which was completed on 2 August 2024
<i>“Manager” or “ZICAP” or “Sponsor”</i>	: ZICO Capital Pte. Ltd.
<i>“Market Day”</i>	: A day on which the SGX-ST is open for securities trading
<i>“MAS”</i>	: The Monetary Authority of Singapore
<i>“Maximum Conversion Shares”</i>	: Up to 171,722,656 Conversion Shares which may be issued pursuant to the conversion of Notes under the RCN Issuance. As at the Latest Practicable Date, 96,750,039 Conversion Shares have been issued and there remains a balance of up to 74,972,617 Maximum Conversion Shares available for issuance under the RCN Issuance
<i>“Maximum Subscription Scenario”</i>	: For illustrative purposes, the scenario under which the maximum number of Rights Shares with Warrants will be issued, as described in Section 2.5.2 of this Circular
<i>“Minimum Subscription Scenario”</i>	: For illustrative purposes, the scenario under which the minimum number of Rights Shares with Warrants will be issued, as described in Section 2.5.1 of this Circular
<i>“Net Proceeds”</i>	: Net proceeds (excluding the proceeds that may be raised when the Warrants are exercised) from the Rights Cum Warrants Issue
<i>“Notes”</i>	: Has the meaning ascribed to it at Section 2.13.1 of this Circular
<i>“Notice of EGM”</i>	: The notice of EGM which is set out on pages EGM - 1 to EGM - 4 of this Circular

DEFINITION

<i>“NTA”</i>	: Net tangible assets
<i>“NTL”</i>	: Net tangible liabilities
<i>“Offer Information Statement”</i>	: The offer information statement, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the MAS, in connection with the Rights Cum Warrants Issue
<i>“PAL”</i>	: The provisional allotment letters to be issued to Entitled Scripholders, setting out the provisional allotment of the Rights Shares with Warrants of such Entitled Scripholders under the Rights Cum Warrants Issue
<i>“Participating Banks”</i>	: The banks that will be participating in the Rights Cum Warrants Issue by making available their ATMs to Entitled Depositors and Purchasers for acceptances of the Rights Shares with Warrants and/or applications for Excess Rights Shares with Warrants, as the case may be
<i>“Proxy Form”</i>	: The shareholder proxy form in respect of the EGM to be despatched separately to Shareholders
<i>“Purchasers”</i>	: Persons purchasing the Rights traded on the Catalist through the book-entry (scripless) settlement system
<i>“RCN Issuance”</i>	: Has the meaning ascribed to it at Section 2.13.1 of this Circular
<i>“Record Date”</i>	: The time and date (to be announced by the Company) at and on which the Register of Members will be closed to determine the Rights of Entitled Shareholders under the Rights Cum Warrants Issue, subject to the approval of Shareholders for the Rights Cum Warrant Issue being obtained at the EGM and the receipt of a listing and quotation notice from the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants and the Warrants Shares on the Catalist
<i>“Register of Members”</i>	: The register of members of the Company
<i>“Register of Warrantholders”</i>	: The register of warrantholders of the Company
<i>“Rights Cum Warrants Issue”</i>	: The proposed renounceable non-underwritten rights cum warrants issue of up to 1,093,521,189 Rights Shares at the Issue Price of S\$0.005 for each Rights Share, with up to 729,014,126 Warrants, each Warrant carrying the right to subscribe for one (1) Warrant Share at the Exercise Price of S\$0.003 for each Warrant Share, on the basis of three (3) Rights Shares for every two (2) existing Shares held by Entitled Shareholders and two (2) Warrants for every three (3) Rights Shares validly subscribed as at the Record Date, fractional entitlements to be disregarded
<i>“Rights Shares”</i>	: Up to 1,093,521,189 new Shares to be issued by the Company pursuant to the Rights Cum Warrants Issue, each a “Rights Share”
<i>“Rights”</i>	: The provisional allotments of Rights Shares, being rights to subscribe for three (3) Rights Shares for every two (2) existing Shares held by Entitled Shareholders (which, for the avoidance of doubt, excludes treasury shares) as at the Record Date, fractional entitlements to be disregarded
<i>“S\$” and “cents”</i>	: Singapore dollars and cents respectively
<i>“SCH”</i>	: Seah Chong Hoe

DEFINITION

<i>“SCSI”</i>	: Structured Capital Solutions Inc.
<i>“Securities Account”</i>	: Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“Set-Off Arrangements”</i>	: Has the meaning ascribed to it at Section 2.9.2 of this Circular
<i>“SFA”</i>	: The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<i>“SGXNet”</i>	: Singapore Exchange Network, a system network used by listed companies for sending information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
<i>“SGX-ST”</i>	: Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	: Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“Share Transfer Agent”</i>	: Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“Share Transfer Book”</i>	: The share transfer books of the Company
<i>“Shareholders”</i>	: The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<i>“Shares”</i>	: Ordinary shares in the issued and paid-up share capital of the Company
<i>“SRS Accounts”</i>	: An account opened by a participant in the SRS from which monies may be withdrawn for, among others, payment for the Rights Shares with Warrants and/or the Excess Rights Shares with Warrants
<i>“SRS Approved Banks”</i>	: Approved banks in which SRS Investors hold their accounts under the SRS
<i>“SRS Investors”</i>	: Investors who have previously purchased Shares under the SRS
<i>“SRS”</i>	: Supplementary Retirement Scheme
<i>“Substantial Shareholder”</i>	: Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who: <ul style="list-style-type: none"> (a) has an interest or interests in one (1) or more voting Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
<i>“Terms and Conditions of the Warrants”</i>	: Shall refer to the terms and conditions of the Warrants as stated in the Deed Poll
<i>“Undertaking Shareholder”</i>	: Has the meaning ascribed to it at Section 2.9.1 of this Circular
<i>“Vendors”</i>	: Means VLL, LCC and SCSI, as the vendors of the LSO Acquisition
<i>“VLL”</i>	: Victoria Lim Yu
<i>“Warrant Agency Agreement”</i>	: The warrant agency agreement to be entered into by the Company and the Warrant Agent pursuant to which the Warrant Agent is appointed by

DEFINITION

the Company to act in connection with the Warrants and the Warrants Shares upon the terms and conditions set out therein

“Warrant Agent” : Has the meaning ascribed to it in Section 2.4(n) of this Circular

“Warrantholder(s)” : In relation to any Warrant, the person or persons for the time being registered in the Register of Warrantholders as the holder or joint holder of that Warrant provided that, in relation to Warrants registered in the name of CDP, the Depositors shall be deemed to be the Warrantholder(s) and each such Depositor shall (unless otherwise expressly provided) be entitled to all the benefits and all the rights attached to and be subject to all the obligations to be discharged and all the restrictions and conditions in respect of the Warrants credited to the Depositor’s Securities Account

“Warrants Proceeds” : Has the meaning ascribed to it at Section 2.11.4 of this Circular

“Warrants Shares” : Up to 729,014,126 new Shares to be allotted and issued by the Company upon the exercise of the Warrants pursuant to the Rights Cum Warrants Issue, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, each a **“Warrant Share”**

“Warrants” : Up to 729,014,126 free detachable warrants to be issued by the Company pursuant to the Rights Cum Warrants Issue, each a **“Warrant”**

“%” : Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“subsidiary”** and **“treasury shares”** shall have the same meanings ascribed to them in Section 5 and Section 76H of the Companies Act, respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

[the remainder of this page has been intentionally left blank]

LETTER TO SHAREHOLDERS OF THE COMPANY

ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600740M)

Board of Directors:

Mr. Seah Chong Hoe
(Executive Director and Chief Executive Officer)
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi
(Non-Executive and Non-Independent Director)
Mr. Lim Chen Chong
(Non-Executive and Non-Independent Director)
Mr. Mandie Chong Man Sui
(Non-Executive and Independent Director)
Mr. Steven Shen Hing
(Non-Executive and Independent Director)
Mr. Chng Hee Kok
(Non-Executive and Independent Director)
Mr. Ling Chung Yee, Roy
(Non-Executive and Independent Director)

Registered Office:

3014 Ubi Road 1, #02-282,
Kampong Ubi Industrial Estate,
Singapore 408702

24 October 2024

To: The Shareholders of Advanced Systems Automation Limited

Dear Sir/Madam,

LETTER TO SHAREHOLDERS IN RELATION TO:

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 1,093,521,189 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.005 FOR EACH RIGHTS SHARE, WITH UP TO 729,014,126 FREE DETACHABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE AT THE EXERCISE PRICE OF S\$0.003 FOR EACH WARRANT SHARE, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS AND TWO (2) WARRANTS SHARES FOR EVERY THREE (3) RIGHTS SHARES VALIDLY SUBSCRIBED AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

1.1. EGM

The Board proposes to convene the EGM to be held on Friday, 8 November 2024 at 3.00 p.m. (Singapore time) at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2, to seek the approval of the Shareholders for the Rights Cum Warrants Issue. The Notice of EGM is set out on pages EGM – 1 to EGM - 4 of this Circular.

1.2. Purpose of Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the Rights Cum Warrants Issue and to seek Shareholders' approval for the Rights Cum Warrants Issue at the EGM.

The SGX-ST assumes no responsibility for the contents of the Circular including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Shareholders who have any doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant, tax or other professional adviser(s) immediately.

LETTER TO SHAREHOLDERS OF THE COMPANY

1.3. Legal Adviser

Insights Law LLC is appointed as the legal adviser to the Company to advise on Singapore law and regulations in relation to the subject matter of this Circular.

2. THE RIGHTS CUM WARRANTS ISSUE

2.1. Introduction

On 16 September 2024, the Company announced that it is proposing to undertake the Rights Cum Warrants Issue, subject to, *inter alia*, the approval of Shareholders, which will be sought at the EGM to be convened.

On 16 October 2024, the Company announced that, as an indication of their commitment to and confidence in the Company, and to allow the Company to achieve a more balanced capital structure, the Undertaking Shareholders, collectively holding 40.80% of the Shares, have each given an irrevocable undertaking to subscribe for their respective entitlements to the Rights Shares and/or Excess Rights Shares with Warrants, as the case may be, under the Rights Cum Warrants Issue, either by way of (a) cash; and/or (b) an offset against outstanding amounts owed by the Company to the respective Undertaking Shareholders (collectively, the “**Irrevocable Undertakings**”). Further details of the Irrevocable Undertakings are set out in Section 2.9 of this Circular.

As at the date of this Circular, the Record Date has not been fixed. In accordance with Rule 821 of the Catalist Rules, the Record Date shall only be determined after the LQN has been issued by the SGX-ST. An application will be made to the SGX-ST through the Sponsor on behalf of the Company for permission to deal in and for the listing of and quotation for the Rights Shares and the Warrants Shares on the Catalist pursuant to the Rights Cum Warrants Issue. The Company will make the necessary announcement on SGXNet upon the receipt of the LQN by the SGX-ST.

2.2. Overview of the Rights Cum Warrants Issue

2.2.1. Basis of the provisional allotment

The Rights Cum Warrants Issue is proposed to be offered on a renounceable and non-underwritten basis by the Company. The Company will issue up to 1,093,521,189¹ Rights Shares at an Issue Price of S\$0.005 for each Rights Share, with up to 729,014,126² **free detachable** Warrants, each Warrant carrying the right to subscribe for one (1) Warrant Share at an Exercise Price of S\$0.003 for each Warrant Share, on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders and two (2) Warrants for every three (3) Rights Shares validly subscribed as at the Record Date, fractional entitlements to be disregarded.

2.2.2. Provisional allotment and Excess Application

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce (in part or in whole in favour of a third party at the option of the Entitled Shareholders) or, in the case of Entitled Depositors, trade their provisional allotments of Rights Shares with Warrants on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Cum Warrants Issue (“**Excess Rights Shares with Warrants**”).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ provisional allotments of the Rights Shares with Warrants and will, together with the provisional allotments of Rights Shares with Warrants which are not validly taken up or allotted for any reason, be aggregated and allotted to satisfy the Excess Application for the Excess Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company, subject to the applicable laws, the Catalist Rules and any other requirements and directions of the SGX-ST from time to time.

¹ Assuming that the remaining 74,972,617 Maximum Conversion Shares (as defined in Section 2.13 of this Circular) arising from conversion of the Notes (as defined in Section 2.13 of this Circular) are issued on or prior to the Record Date.

² Ibid.

LETTER TO SHAREHOLDERS OF THE COMPANY

In the allotment of Excess Rights Shares with Warrants, preference will be given to the Entitled Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Cum Warrants Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The Company will also not make any allotments or issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for Excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

2.2.3. Non-underwritten basis of the Rights Cum Warrants Issue

The Rights Cum Warrants Issue will not be underwritten. The Directors are of the opinion that there is no minimum amount that must be raised from the Rights Cum Warrants Issue. In the reasonable opinion of the Directors, having regard to the underwriting costs, the Directors have decided that it is, on balance, not cost effective for the Rights Cum Warrants Issue to be underwritten by a financial institution.

2.2.4. Scaling down the subscriptions

The Code regulates the acquisition of ordinary shares of, among others, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a mandatory general offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription and/or Excess Application for the Rights Shares with Warrants by any of the Shareholders (if such Shareholder chooses to subscribe for its *pro-rata* Rights Shares entitlement and/or apply for Excess Rights Shares with Warrants) to (a) avoid placing the relevant Shareholder and parties acting in concert with such Shareholder (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares with Warrants; and/or (b) avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

2.3. **Principal Terms of the Rights Cum Warrants Issue**

- | | | | |
|-----|---------------------------------------|---|---|
| (a) | Number of Rights Shares with Warrants | : | <p>Based on the Minimum Subscription Scenario, the Company will issue up to 523,415,392 Rights Shares with up to 348,943,593 Warrants under the Rights Cum Warrants Issue, fractional entitlements to be disregarded.</p> <p>Based on the Maximum Subscription Scenario, the Company will issue up to 1,093,521,189 Rights Shares with up to 729,014,126 Warrants under the Rights Cum Warrants Issue, fractional entitlements to be disregarded.</p> |
|-----|---------------------------------------|---|---|

Please refer to Section 2.5 of this Circular for further details.

LETTER TO SHAREHOLDERS OF THE COMPANY

- (b) Basis of provisional allotment : The Rights Cum Warrants Issue will be offered on a renounceable basis to the Entitled Shareholders on the following bases:
- (i) three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded; and
 - (ii) two (2) Warrants for every three (3) Rights Shares validly subscribed, fractional entitlements to be disregarded.
- (c) Issue Price of each Rights Share : The Issue Price of S\$0.005 for each Rights Share (payable in full upon acceptance and/or application), represents a discount of:
- (i) approximately 73.7% to the closing price of S\$0.019 per Share for trades done on Catalist on 16 September 2024 (being the last full Market Day where there were Shares traded immediately preceding the Company's announcement on the Rights Cum Warrants Issue released on SGXNet on 16 September 2024) ("**Last Traded Price**"); and
 - (ii) approximately 52.8% to the theoretical ex-rights price of S\$0.0106 per Share⁽¹⁾ ("**TERP**").

Note:

- (1) The TERP is the theoretical market price of each Share assuming the completion of the Rights Cum Warrants Issue, computed based on the Last Traded Price of S\$0.019 per Share. For the avoidance of doubt, the TERP computation does not include the Warrants Shares to be issued from the exercise of the Warrants.

The Issue Price and such discount to the Last Traded Price and TERP have been determined after taking into account the size of the Rights Cum Warrants Issue, the Group's fundraising needs and timeline, and the Company's share price performance and volume in the past 12 months.

- (d) Purpose of the Rights cum Warrants Issue and Use of Proceeds : The Company is proposing to undertake the Rights Cum Warrants Issue to raise funds towards:
- (i) partial payment of the cash consideration to the Vendors for the LSO Acquisition;
 - (ii) partial payment of the indebtedness owing to SCH;
 - (iii) partial payment of professional fees owing to ILAW and ZICAP in respect of the LSO Acquisition; and
 - (iv) general corporate and working capital

Please refer to Sections 2.10 and 2.11 of this Circular for further details.

- (e) Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on Catalist under the book-entry (scripless) settlement system. For the purpose of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

Following the Rights Cum Warrants Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on Catalist are able to trade odd lots of Shares in board lots of one (1) Share on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such

LETTER TO SHAREHOLDERS OF THE COMPANY

Shares. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

The terms and conditions of the Rights Cum Warrants Issue are subject to such changes and such other terms and conditions as the Directors may, in consultation with the Manager, deem fit. The final terms and conditions of the Rights Cum Warrants Issue, including the procedures for acceptances and applications for the Rights Shares with Warrants, will be contained in the Offer Information Statement (including the accompanying application forms) to be lodged with the SGX-ST, acting as an agent on behalf of the MAS, and to be despatched or disseminated by the Company to the Entitled Shareholders in due course, subject to, amongst others, the approval of Shareholders being obtained for the Rights Cum Warrants Issue at the EGM and the receipt of the LQN from the SGX-ST.

The Rights Cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

2.4. Principal Terms of the Warrants

- (a) Number of Warrants and Warrants Shares : Based on the **Minimum Subscription Scenario**, up to 348,943,593 free, detachable, listed and transferable Warrants (exercisable into 348,943,593 Warrants Shares) to be issued free together with the Rights Shares by the Company.

Based on the **Maximum Subscription Scenario**, up to 729,014,126 free, detachable, listed and transferable Warrants (exercisable into 729,014,126 Warrants Shares) to be issued free together with the Rights Shares by the Company.

Please refer to Section 2.5 of this Circular for further details.

- (b) Basis of allotment : The Warrants will be issued free with the Rights Shares on the basis of two (2) free, detachable, listed and transferable Warrants with every three (3) Rights Shares validly subscribed, fractional entitlements to be disregarded.

No consideration shall be received by the Company in respect of the Warrants issued to the Entitled Shareholders.

- (c) Exercise Price of each Warrant : S\$0.003 per Warrant Share on the exercise of a Warrant, subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants as set out in the Deed Poll.

The Exercise Price of S\$0.003 for each Warrant Share represents a discount of:

- (i) approximately 84.2% to the Last Traded Price; and
- (ii) approximately 71.7% to the TERP⁽¹⁾.

Note:

- (1) The TERP is the theoretical market price of each Share assuming the completion of the Rights Cum Warrants Issue, computed based on the Last Traded Price of S\$0.019 per Share. For the avoidance of doubt, the TERP computation does not include the Warrants Shares to be issued from the exercise of the Warrants.

The Exercise Price and such discount to the Last Traded Price and TERP have been determined after taking into account the size of the Rights Cum Warrants Issue, the Group's fundraising needs and timeline, and the Company's share price performance and volume in the past 12 months.

- (d) Exercise Period : Each Warrantholder will have the right, by way of exercise of each Warrant, to subscribe for one (1) Warrant Share at the Exercise Price

LETTER TO SHAREHOLDERS OF THE COMPANY

during the period commencing on (and including) the date the Warrants are first issued, listed and quoted on the Catalist and expiring at 5.00 p.m. on the date immediately preceding 24 months from the date of the issue, listing and quotation of the Warrants ("**Exercise Period**"), unless such date is a date on which the Register of Members, the Share Transfer Books, the Register of Warrantholders of the Company (and/or the Depository Register (as the case may be) is closed, and/or is not a Market Day), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Terms and Conditions of the Warrants.

At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

- | | | |
|-----|---|---|
| (e) | Listing of the Warrants and the Warrants Shares | : An application will be made by the Company, through the Sponsor, to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for the Warrants and the Warrants Shares on Catalist. |
| | | In the event that there are adjustments to the number of Warrants which would require additional Warrants and/or Warrants Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or Warrants Shares on the Catalist at the relevant time. |
| (f) | Form and subscription rights | : The Warrants will be immediately detachable from the Rights Shares upon issue and will be issued in registered form and constituted by the Deed Poll. Subject to the terms and conditions of the Deed Poll, each Warrant will entitle the holder of the Warrant, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price in force on the relevant exercise date. |
| (g) | Trading | : Each board lot of Warrants will consist of 100 Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Catalist. |
| | | Upon the listing of and quotation for the Warrants and the Warrants Shares on the Catalist, the Warrants and the Warrants Shares, when issued, will be traded on Catalist under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the Warrants Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Warrants) the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time. |
| (h) | Mode of payment for exercise of the Warrants | : Payment of the Exercise Price shall be made to the Warrant Agent at its specified office in the form of remittance in Singapore currency by banker's draft or casher's order drawn on a bank operating in Singapore in favour of the Company, for the full amount in the Exercise Price payable in respect of the Warrants exercised. |
| (i) | Adjustments | : The Exercise Price and/or the number of Warrants to be held by each Warrantholder will, after the issue of the Warrants, be subject to adjustments in accordance with the Terms and Conditions of the Warrants. Any such adjustments will be made in consultation with an Approved Bank and certified by the Auditors to determine whether the adjustment (or modification or variation, if any) is fair and reasonable. |

LETTER TO SHAREHOLDERS OF THE COMPANY

In the current context, an “**Approved Bank**” means any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the MAS as may be selected by the Directors, and “**Auditors**” means auditors for the time being of the Company.

Any such adjustments will be announced by the Company through SGXNet. The announcement will state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants issued under the Rights Cum Warrants Issue and will for all purposes form part of the same series of Warrants constituted by the Deed Poll.

A brief summary of the various adjustment mechanisms is set out in the paragraphs below. Full details of the adjustments will be contained in the Deed Poll.

(a) Any consolidation or subdivision of the Shares

If, and whenever, consolidation or subdivision of the Shares occurs, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{A}{B} \times X$$

and the number of Warrants shall be adjusted in the following manner

$$\frac{\text{Adjusted number of Warrants}}{\text{Warrants}} = \frac{B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

(b) Capitalisation of profits or reserves

If, and whenever, the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:-

where:-

$$\text{New Exercise Price} = \frac{A}{A + B} \times X$$

LETTER TO SHAREHOLDERS OF THE COMPANY

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this part (b), “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

(c) Capital distribution

If, and whenever:-

- (i) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

and in respect of each case referred to in part (c)(ii) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:-

C = the last dealt price on the Market Day immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in part (c)(ii) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case maybe, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under part (c)(ii) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within part (c) above, the fair market value, as determined by an Approved Bank, of that portion of the Capital

LETTER TO SHAREHOLDERS OF THE COMPANY

Distribution or of the nil-paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

For the purposes of definition (i) of “D” above, the “**value of the rights attributable to one (1) Share**” shall be calculated in accordance with the formula:-

$$\frac{C - Z}{Q + 1}$$

C = as in C above;

Z = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

Q = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purposes of this part (c), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under part (b)) or other securities (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully or partly paid-up by way of capitalisation of profits or reserves. Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to part (c)(i).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to part (c)(ii).

For the purposes of this part (c), “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

(d) Rights issues of Shares or options over Shares at less than 95% of the current market price

If, and whenever, the Company makes any allotment to its Shareholders as provided in part (b) above and also makes any offer or invitation to its Shareholders as provided in part (c)(ii) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{(I \times C) + (J \times Z)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times Z)} \times W$$

LETTER TO SHAREHOLDERS OF THE COMPANY

where:-

I = the aggregate number of issued and fully paid-up Shares on the record date;

C = as in C above;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

Z = as in Z above;

B = as in B above;

X = as in X above; and

W = as in W above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

(e) An issue of shares (other than a rights issue or an issue of shares to members of the Company who elect to receive shares in lieu of cash as dividends) if the total effective consideration for each Share is less than 90% of the current market price

If, and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under part (c)(ii) or (d) above and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the last dealt price on the SGX-ST on five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:-

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such last dealt price for the five (5) Market Days before the date on which the issue price of such Shares is determined (exclusive of expenses);

M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of part (e) above, the “**Total Effective Consideration**”

LETTER TO SHAREHOLDERS OF THE COMPANY

shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the **"Total Effective Consideration for each Share"** shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

In the event any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder is proposed or required to be made, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Company from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Company as at the date of the Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Company (based on the new Shares comprised in the unexercised Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event giving rise to such adjustment.

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNet in compliance with the Catalist Rules.

- (j) Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warrantholders of the expiry of the Exercise Period in accordance with the Terms and Conditions of the Warrants and make an announcement of the same to the SGX-ST; and (b) take reasonable steps to despatch to the Warrantholders notices in writing to their addresses recorded in the Register of Warrantholders or the Depository Register, as the case may be, of the expiry of the Exercise Period.
- (k) Winding-up : In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as soon or soon after it despatches such notice to its members give notice thereof to the Warrantholders and thereupon, each Warrantholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) Market Days prior to the proposed general meeting in accordance with the Terms and Conditions of the Warrants whereupon the Company shall, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrants Shares to the Warrantholder credited as fully paid.

If a resolution is passed for a members' voluntary winding-up of the Company, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designed by them for such purpose by extraordinary resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders.

The Company shall give notice to the Warrantholders in accordance with the terms of the Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof. The Warrants Shares will be

LETTER TO SHAREHOLDERS OF THE COMPANY

allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the extraordinary resolution.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

- (l) Alteration to the terms of the Warrants : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to the Shareholders shall be made unless the alterations are made pursuant to the Terms and Conditions of the Warrants or the prior approval of Shareholders at a general meeting has been obtained.

In the event that additional Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST through the Sponsor, for permission to deal in and for the listing of and quotation for the additional Shares on the Catalist. An appropriate announcement on the outcome of such application, if necessary, will be made on SGXNet.

In addition, the Company will comply with the Catalist Rules (including Rules 830 and 831 of the Catalist Rules) and unless permitted under the Deed Poll, the Company will not:

- (a) extend the Exercise Period;
- (b) issue new warrants to replace the Warrants;
- (c) change the Exercise Price of the Warrants; and/or
- (d) change the exercise ratio of the Warrants.

- (m) Further Issues : Subject to the Terms and Conditions of the Warrants set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in a general meeting or in the event of a takeover offer to acquire Shares.

- (n) Warrant Agent : Such person, firm or company to be appointed by the Company to maintain the Register of Warrantholders and as may from time to time be appointed by the Company pursuant to the entry into a Warrant Agency Agreement.

- (o) Governing law : The terms of the Warrants are governed by the laws of Singapore.

- (p) Fractional Entitlements : All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

2.5. Size of the Rights Cum Warrants Issue

2.5.1. Minimum Subscription Scenario

Assuming, for illustrative purposes only, that:

- (a) no new Shares (and none of the remaining 74,972,617 Maximum Conversion Shares arising from the conversion of the Notes) are issued by the Company on or prior to the Record Date;

LETTER TO SHAREHOLDERS OF THE COMPANY

- (b) none of the Entitled Shareholders (other than the Undertaking Shareholders) subscribes for their entitled Rights Shares under the Rights Cum Warrants Issue; and
- (c) the Undertaking Shareholders subscribe for their entitled Rights Shares and/or Excess Rights Shares with Warrants, as the case may be, in accordance with the respective Irrevocable Undertakings,

the Company will issue up to 523,415,392 Rights Shares with up to 348,943,593 Warrants, fractional entitlements to be disregarded (“**Minimum Subscription Scenario**”). In such scenario, the issued and paid-up share capital of the Company will increase (i) from 654,041,509 to 1,177,456,901 Shares, following the issuance of all the Rights Shares but excluding the issuance of any Warrants Shares; and (ii) from 654,041,509 to 1,526,400,494, following the issuance of all the Rights Shares and Warrants Shares (assuming fully exercised).

2.5.2. Maximum Subscription Scenario

Assuming, for illustrative purposes only, that:

- (a) no new Shares are issued by the Company on or prior to the Record Date;
- (b) the remaining 74,972,617 Maximum Conversion Shares (arising from the full conversion of the Notes) are fully issued on or prior to the Record Date; and
- (c) all Entitled Shareholders subscribe for their entitled Rights Shares under the Rights Cum Warrants Issue,

the Company will issue up to 1,093,521,189 Rights Shares with up to 729,014,126 Warrants, fractional entitlements to be disregarded (“**Maximum Subscription Scenario**”). In such scenario, the issued and paid-up share capital of the Company will increase (i) from 654,041,509 to 1,822,535,315 Shares, following the issuance of all the Rights Shares but excluding the issuance of Warrants Shares; and (ii) from 654,041,509 to 2,551,549,441 Shares, following the issuance of all the Rights Shares and Warrants Shares (assuming fully exercised).

2.6. **Ranking of the Rights Shares and Warrants Shares**

The Rights Shares with Warrants will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of allotment and issue of the Rights Shares with Warrants.

The Warrants Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions the record date of which falls on or after the date of issue of the Warrants Shares, save as may be otherwise provided in the Deed Poll.

For the purpose of this Section 2.6, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.7. **Conditions for the Rights Cum Warrants Issue**

2.7.1. The Rights Cum Warrants Issue is subject to, *among others*, the following conditions:

- (a) the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and Warrants Shares on Catalist;
- (b) the Rights Cum Warrants Issue and the issue of the Rights Shares, the Warrants and the Warrants Shares being approved by Shareholders at the EGM;
- (c) the lodgement of the Offer Information Statement together with all other accompanying

LETTER TO SHAREHOLDERS OF THE COMPANY

documents (if applicable) with the SGX-ST, acting as an agent on behalf of the MAS;

- (d) there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants; and
- (e) all other approvals of any government whether Singapore or foreign, any department, ministry or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body, as well as all other third party consents, which the Company reasonably determines are necessary to implement the Rights Cum Warrants Issue having been obtained, either unconditionally or on conditions satisfactory to the Company acting reasonably, and any such approval or consent not having been withdrawn or revoked.

2.7.2. The Company will be making an application to the SGX-ST, through its Sponsor, for the LQN of the Rights Shares, Warrants and Warrants Shares on Catalist. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.

2.7.3. The LQN if granted by the SGX-ST is not an indication of the merits of the Rights Cum Warrants Issue, the Rights Shares, the Warrants, the Warrants Shares, the Company, its subsidiaries and their securities.

2.8. Eligibility of Shareholders to participate in the Rights Cum Warrants Issue

2.8.1. Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights Cum Warrants Issue on the basis of their shareholdings in the Company as at the Record Date ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders.

Entitled Shareholders will be entitled to participate in the Rights Cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Transfer Agent, as the case may be.

2.8.2. Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days on which the SGX-ST is open for securities trading prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents ("**Entitled Depositors**").

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date.

Entitled Depositors must have registered addresses in Singapore with CDP as at the Record Date, or if they have registered addresses outside Singapore, they must provide CDP, with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

Shareholders who have previously purchased Shares using their Central Provident Fund ("**CPF**") account savings (the "**CPF Funds**") under the Central Provident Fund Investment Scheme ("**CPFIS**") may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Rights Shares and (if applicable) to apply for Excess Rights Shares with Warrants, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions in the Offer Information Statement. CPF Funds may not be used to purchase provisional

LETTER TO SHAREHOLDERS OF THE COMPANY

allotments of nil-paid Rights Shares directly from the market.

Shareholders who hold Shares under the SRS or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants through their relevant approved banks with which they hold their SRS Accounts, or the respective finance companies and/or Depository Agents through which such Shareholders hold Shares. **ANY APPLICATION MADE BY THE ABOVE-MENTIONED SHAREHOLDERS DIRECTLY TO CDP OR THROUGH AUTOMATED TELLER MACHINES WILL BE REJECTED.** Such Shareholders should refer to the Offer Information Statement (which will be released in due course) for the details relating to the offer procedure in connection with the Rights Cum Warrants Issue.

2.8.3. Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Company's Share Transfer Agent, valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Share Transfer Agent are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Transfer Agent with addresses in Singapore for the services of notices and documents ("**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Transfer Agent, in order to be registered to determine the transferee's provisional allotments of Rights Shares with Warrants entitlements.

Entitled Scripholders must have registered addresses in Singapore with the Company as at the Record Date, or if they have registered addresses outside Singapore, must provide the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

2.8.4. Foreign Shareholders

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Record Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE SHOULD PROVIDE CDP OR THE SHARE TRANSFER AGENT, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

2.9. **Irrevocable Undertakings**

2.9.1. Please refer to the table set out in Appendix A to this Circular for information on the "**Undertaking Shareholders**", together with corresponding details on their respective Irrevocable Undertakings as well as their respective resultant shareholding interests in the Company based on the Minimum Subscription Scenario and assuming full conversion of their respective Warrants.

2.9.2. Based on the Irrevocable Undertakings, the Undertaking Shareholders (who collectively hold 266,878,601 Shares, representing 40.80% of the existing issued and paid-up share capital of the Company) have undertaken to subscribe for 324,615,392 Rights Shares and 198,800,000 Excess Rights Shares with Warrants. Taking into consideration the set-off of subscription monies against the

LETTER TO SHAREHOLDERS OF THE COMPANY

sums owed by the Company to the respective Undertaking Shareholders (excluding the AOF Group) (“**Set-off Arrangements**”), the aggregate amount of monies (in cash) that will be raised from the Undertaking Shareholders will amount to approximately S\$0.5 million under the Minimum Subscription Scenario.

2.9.3. Pursuant to the Irrevocable Undertakings of each of the Undertaking Shareholders (except for the AOF Group), each of the Undertaking Shareholders who will be subscribing for their *pro rata* entitlement to the Rights Shares on the Record Date has irrevocably agreed and undertaken to the Company that, *inter alia*:

- (a) they will not dispose of, charge, pledge or otherwise encumber or grant any option or right over any Shares that they now or in the future hold or control during the period commencing from the date of the Irrevocable Undertaking, until the Rights Cum Warrants Issue and any other ancillary resolutions including but not limited to whitewash waiver and any potential transfer of controlling interest (if applicable) (“**Relevant Resolutions**”) are approved and/or ratified at any forthcoming general meeting of the Company (and such adjournments thereof) and the Relevant Resolutions (and such other incidental transactions in connection with the Relevant Resolutions) being carried out in full;
- (b) they will exercise, or procure the exercise of, all voting rights attached to the Shares that they now hold or may hold in the future (whether in their name or their nominee’s or agent’s names) at any forthcoming general meeting to approve and/or ratify the Relevant Resolutions (and such other incidental transactions in connection with the Relevant Resolutions), unless prevented from doing so by any applicable rules or regulations or by any relevant regulatory authority; and
- (c) they will, not later than the last day for the acceptance and payment of the Rights Shares,
 - (i) fully subscribe for their *pro rata* entitlement to the Rights Shares on the Record Date; and
 - (ii) pay or procure to be paid to the Company the net amount of the subscription monies (after deducting the relevant set off amount), of which a cashier’s order shall be drawn in favor of the Company’s designated rights issue account for the entitled Rights Shares.

2.9.4. The AOF Group who will be applying for Excess Rights Shares with Warrants has irrevocably jointly and severally, agreed and undertaken to the Company that, *inter alia*:

- (a) they will exercise all voting rights attached to the Shares that they now hold or may hold in the future (whether in their name or their nominee’s or agent’s names) at any forthcoming general meeting to approve and/or ratify any Relevant Resolutions and such other incidental transactions in connection with the Relevant Resolutions, unless prevented from doing so by any applicable rules or regulations or by any relevant regulatory authority; and
- (b) they will submit all applications to apply for and if successfully allotted, to subscribe for and purchase 100,000,000 Excess Rights Shares with Warrants at the Issue Price for an aggregate sum of S\$500,000 in the event there are any Rights Shares which remains unsubscribed for by the Entitled Shareholders at the closing date of the Rights Cum Warrants Issue.

2.9.5. SCH who will be applying for both his *pro rata* entitlement to the Rights Shares on the Record Date as well as the Excess Rights Shares with Warrants has irrevocably agreed and undertaken to the Company that, *inter alia*, and in addition to the undertakings set out in Section 2.9.3 above:

- (a) he will submit all applications to apply for and if successfully allotted, to subscribe for and purchase 98,800,000 Excess Rights Shares with Warrants at the Issue Price in the event there are any Rights Shares which remains unsubscribed for by the Entitled Shareholders at the closing date of the Rights Cum Warrants Issue. For the avoidance of doubt, the subscription monies for 98,800,000 Excess Rights Shares with Warrants by SCH will be partially set off against the sums owed by the Company to him in regard to loans provided by SCH in his capacity as a Substantial Shareholder of the Company.

LETTER TO SHAREHOLDERS OF THE COMPANY

2.9.6. The Irrevocable Undertakings will be conditional upon:

- (a) the receipt of the LQN for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrants Shares on the Catalist having been obtained; and if such consents or approvals are granted or obtained are subject to any conditions, such conditions being reasonably acceptable to the Company;
- (b) the Company obtaining specific approval of the Shareholders for the Relevant Resolutions at an extraordinary general meeting to be convened;
- (c) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights Cum Warrants Issue with the SGX-ST, acting as an agent on behalf of the MAS;
- (d) there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants; and
- (e) if applicable:
 - (i) the Securities Industry Council granting any Substantial Shareholder of the Company a waiver of its obligation to make a mandatory offer under Rule 14 of the Code, which may arise following the allotment of Rights Shares to such Substantial Shareholder; and
 - (ii) the specific approval of independent Shareholders at an extraordinary general meeting for the Company waiving their rights from receiving a general offer from the relevant Substantial Shareholder for all the Shares not already owned or controlled by such Shareholder following the allotment and issue of the Rights Shares which triggers the said Shareholder's obligation under the Code to make the said general offer.

2.9.7. Depending on the level of subscription for the Rights Shares with Warrants, the Undertaking Shareholders have acknowledged that the Company may scale down the subscription of the Rights Shares with Warrants by the Shareholders and/or the allocation to and/or subscription of Excess Rights Shares with Warrants (as the case may be) to (a) avoid placing any Undertaking Shareholder and parties acting in concert with it, if any, in a position of incurring a mandatory general offer obligation under the Code, and/or (b) avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

2.9.8. No commission or fee will be paid to the Undertaking Shareholders in connection with the provision or execution of the respective Irrevocable Undertakings.

2.9.9. The Undertaking Shareholders (except for the AOF Group) will be subscribing for their respective entitlements to the Rights Shares and/or Excess Rights Shares with Warrants via the Set-off Arrangements, and accordingly, no confirmation of financial resources will be provided by such Undertaking Shareholders. The AOF Group will provide the necessary financial resources confirmation to the Company in due course.

2.10. Rationale for the Rights Cum Warrants Issue

The Rights Cum Warrants Issue has been proposed by the Company to raise funds for (a) the partial payment of the outstanding professional expenses incurred in cash pursuant to the LSO Acquisition; (b) the partial payment of indebtedness owing to certain Shareholders; (c) the partial payment of the cash consideration payable to the Vendors pursuant to the LSO Acquisition; and (d) general corporate and working capital purposes, to further strengthen the financial position and cash position of the Group in light of the existing working capital requirements of the Company.

In addition to the proceeds to be received from the completion of the Rights Cum Warrants Issue, the Company will receive further proceeds as and when the Warrants are exercised, particularly in the event the market price of the Shares approaches or exceeds the Exercise Price.

LETTER TO SHAREHOLDERS OF THE COMPANY

The Rights Cum Warrants Issue equitably provides the Entitled Shareholders who are confident of the future prospects of the Company with an opportunity to subscribe for additional Shares in the Company on a *pro rata* basis.

2.11. Use of Proceeds for the Rights Cum Warrants Issue

2.11.1. The Net Proceeds (excluding the proceeds that may be raised when the Warrants are exercised), after deducting estimated expenses in connection with the Rights Cum Warrants Issue of approximately S\$0.3 million ("**RI Expenses**"), is expected to be approximately:

- (a) S\$2.3 million under the Minimum Subscription Scenario; and
- (b) S\$5.2 million under the Maximum Subscription Scenario.

2.11.2. Based on the Irrevocable Undertakings, taking into consideration the Set-Off Arrangements of subscription monies against the sums owed by the Company to the Undertaking Shareholders (excluding the AOF Group) of **S\$1.6 million** under the Maximum Subscription Scenario and **S\$2.1 million** under the Minimum Subscription Scenario, the **net amount of monies in cash** (excluding the proceeds that may be raised when the Warrants are exercised) that will be raised from the Rights Cum Warrants Issue after deducting the RI Expenses, is expected to be approximately:

- (a) S\$0.2 million under the Minimum Subscription Scenario; and
- (b) S\$3.5 million under the Maximum Subscription Scenario.

2.11.3. The Net Proceeds is intended to be utilised as follows:

Use of Net Proceeds	Minimum Subscription Scenario		Maximum Subscription Scenario	
	Amount (S\$'million)	Percentage Allocation (%)	Amount (S\$'million)	Percentage Allocation (%)
Partial payment of the cash consideration to the Vendors for the LSO Acquisition	1.4 ⁽¹⁾	60.9	4.4 ⁽³⁾	84.6
Partial payment of the indebtedness owing to SCH	0.6 ⁽¹⁾	26.1	0.1 ⁽⁴⁾	1.9
Partial payment of professional fees owing to ILAW and ZICAP in respect of the LSO Acquisition	0.1 ⁽¹⁾	4.3	0.6 ⁽⁵⁾	11.6
General corporate and working capital	0.2 ⁽²⁾	8.7	0.1 ⁽²⁾	1.9
Total	2.3	100.0	5.2	100.0

Notes:

- (1) This amount will be set off against the subscription monies payable by the respective Undertaking Shareholders for their respective entitled Rights Shares and/or Excess Rights Shares with Warrants pursuant to the Set-off Arrangements. Please refer to Section 2.9 of this Circular for further details.
- (2) The Net Proceeds in cash available for use on closing of the Rights Cum Warrants Issue for general corporate and working capital purposes, including payment by the Company of outstanding professional fees arising from previous corporate exercises (if any).
- (3) S\$1.4 million will be set off against the subscription monies payable by the respective Vendors for their respective entitled Rights Shares pursuant to the Set-off Arrangements, and the remaining balance will be paid with the Net Proceeds in cash.
- (4) S\$0.1 million will be set off against the subscription monies payable by SCH for his entitled Rights Shares pursuant to the Set-off Arrangements.
- (5) S\$0.1 million will be set off against the subscription monies payable by ILAW and ZICAP for their respective entitled Rights Shares pursuant to the Set-off Arrangements, and the remaining balance will be paid with the Net Proceeds in cash.

LETTER TO SHAREHOLDERS OF THE COMPANY

2.11.4. The above allocations are based on the Minimum Subscription Scenario and the Maximum Subscription Scenario only. In the event the Net Proceeds fall in between the Minimum Subscription Scenario and the Maximum Subscription Scenario and there are deviations to the above allocations, the Company will make the necessary announcements on the allocations when the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.

2.11.5. For illustrative purpose, assuming the full issuance of:

- (a) 348,943,593 Warrants under the Minimum Subscription Scenario, and all such Warrants issued are exercised, the Company will raise gross proceeds of approximately S\$1.0 million; and
- (b) 729,014,126 Warrants under the Maximum Subscription Scenario, and all such Warrants issued are exercised, the Company will raise gross proceeds of approximately S\$2.2 million.

(collectively, "**Warrants Proceeds**").

2.11.6. The Company intends to utilise the Warrants Proceeds (if and when exercised) for its general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

2.11.7. Other information

Pending the deployment of the Net Proceeds and the Warrants Proceeds for general corporate and working capital purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group. The Company will make periodic announcements on the utilisation of the Net Proceeds and the Warrants Proceeds as and when the such proceeds are materially disbursed and whether such disbursements are in accordance with the use of the Net Proceeds and the Warrants Proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds and the Warrants Proceeds in the Company's interim and full year financial results announcement(s) and annual report(s) until such time the Net Proceeds and the Warrants Proceeds have been fully utilised. Where the Net Proceeds and the Warrants Proceeds have been used for general corporate and working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds and the Warrants Proceeds for general corporate and working capital in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds and the Warrants Proceeds, the Company will announce the reasons for such deviation.

2.12. **Statement by the Directors**

For the purposes of Rule 814(1)(f) of the Catalist Rules, as at the Latest Practicable Date, and barring unforeseen circumstances, the Directors are of the opinion that:

- (a) after taking into consideration the Group's present bank facilities, loan agreements, internal resources and operating cash flows, the letter of financial undertaking dated 5 April 2024 provided by SCH to the Company, the letter of financial support dated 28 March 2024 provided by the Subscribers to the Notes issued by the Company (as set out in Section 2.13 of this Circular), and the future drawdown of the balance T2 Notes of S\$0.5 million, as well as the potential new revenue stream to the Group from the completion of the LSO Acquisition, the working capital available to the Group is sufficient to meet its present requirements, and the Rights Cum Warrants Issue is being undertaken for the rationale as set out in Section 2.10 of this Circular; and
- (b) after taking into consideration the factors stated in Section 2.12(a) of this Circular and the Net Proceeds arising from the Rights Cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

The Directors are further of the opinion that, after taking into consideration the rationale for the Rights Cum Warrants Issue as set out in Section 2.10 of this Circular, and the factors considered in arriving at the Issue Price and the Exercise Price, the Rights Cum Warrants Issue is in the interest of the Company and the Group.

LETTER TO SHAREHOLDERS OF THE COMPANY

2.13. Funds raised in the last 12 months and utilisation of proceeds

- 2.13.1. The Company had, on 24 October 2023, entered into a conditional subscription agreement (as amended, modified and supplemented on 14 June 2024 and 2 July 2024) ("**Subscription Agreement**") with AOF I and AOF VCC (collectively, the "**Subscribers**") for the issuance of 5.0% redeemable convertible notes ("**Notes**"), which are convertible into new Shares ("**Conversion Shares**") capped at a Maximum Conversion Shares of 171,722,656, subject to the terms and conditions set out in the Subscription Agreement ("**RCN Issuance**").

The issuance of Notes was structured in two (2) sequential tranches (each a "**Tranche**"), namely Tranche 1 ("**T1 Notes**") of S\$2.5 million and Tranche 2 ("**T2 Notes**") of S\$2.5 million.

As at the date of this Circular, the Company has raised an aggregate of S\$4.5 million from the RCN Issuance ("**RCN Net Proceeds**"), comprising S\$2.5 million on 31 October 2023 via the issuance of T1 Notes, and S\$2.0 million on 30 July 2024 and 1 August 2024 via the issuance of T2 Notes, with a remaining balance of S\$0.5 million of Notes yet to be subscribed by the Subscribers under the remaining portion of the T2 Notes.

As at the date of this Circular, the Company has on 25 July 2024, 26 July 2024 and 5 August 2024³ completed the allotment and issuance of an aggregate of 96,750,039 Conversion Shares following the conversion of the T1 Notes by the Subscribers, with an aggregate principal value of S\$2.2 million, pursuant to the terms of the Subscription Agreement. Accordingly, of the Maximum Conversion Shares, the remaining Conversion Shares available for issue as at the date of this Circular is 74,972,617 Conversion Shares.

All the RCN Net Proceeds have been fully utilised in accordance with the intended use as stated in the Company's announcement dated 2 August 2024⁴ as follows:

Use of RCN Net Proceeds	Allocation (S\$'million)	Drawdown and utilised as at 2 August 2024 (S\$'million)	Balance (not drawdown) (S\$'million)
Bridging Loan ⁽¹⁾	2.0	2.0	-
General working capital ⁽²⁾	3.0	2.5	0.5
Total	5.0	4.5	0.5

Notes:

- (1) The Bridging Loan has been utilised as part of the consideration in cash payable to the Vendors pursuant to the LSO Acquisition.

(2) Breakdown	(S\$)
(a) Repayment of 1 st instalment to ASTI	1.00 million
(b) Partial repayment of the debt to ASTI pursuant to the statutory demand letter issued by ASTI	0.67 million
(c) Payment for administrative fees amounting to 6% of the sum of S\$4.5 million drawdown pursuant to the RCN Issuance	0.28 million
(d) Professional expenses related to LSO Acquisition	0.36 million
(e) Payroll related costs	0.16 million
(f) Others	0.03 million
Total	2.50 million

2.13.2. Adjustment to Convertible Securities

As at the Latest Practicable Date, there remain issued and unissued Notes (as applicable) of approximately S\$2.8 million ("**Outstanding Notes**"), which if and when converted by the Subscribers,

³ Please refer to the Company's announcements dated 26 July 2024 and 5 August 2024 respectively as announced on SGXNet.
⁴ Please refer to the Company's announcement dated 2 August 2024 as announced on SGXNet.

LETTER TO SHAREHOLDERS OF THE COMPANY

will require the issuance of Conversion Shares. The Outstanding Notes comprise an aggregate amount of S\$2.3 million in Notes which have not been converted into Conversion Shares by the Subscribers, and an aggregate of S\$0.5 million Notes which remain unissued.

Pursuant to the Conditions of the Notes set out in the Subscription Agreement, the Rights Cum Warrants Issue will likely require a downward adjustment to the conversion price of the Conversion Share for the Outstanding Notes, which will likely result in the issuance of more Conversion Shares on conversion of the Outstanding Notes.

Notwithstanding, given that the Maximum Conversion Shares have been capped at the remaining 74,972,617 Maximum Conversion Shares, no additional Conversion Shares will be issued in excess of the remaining 74,972,617 Maximum Conversion Shares. In the event the Maximum Conversion Shares have been reached, the Outstanding Notes that are not capable of being converted shall be redeemed by the Company in accordance with the terms and conditions of the Note Conditions set out in the Subscription Agreement.

The adjustment provisions arising from the Rights Cum Warrants Issue under the Subscription Agreement are set out in paragraph 2(b) of the Appendix B to this Circular.

2.14. **The Record Date of the Rights Cum Warrants Issue**

Subject to the approval of Shareholders for the Rights Cum Warrants Issue at the EGM, the Directors will fix the Record Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights Cum Warrants Issue at a later date, after the SGX-ST has issued the LQN for the Rights Shares, the Warrants and the Warrants Shares. An announcement will be made by the Company to notify Shareholders of the Record Date on the SGXNet.

2.15. **Review of Past Performance and Working Capital**

A summary of the past performance and working capital of the Group comprising the profit and loss statements, the balance sheets, the cash flow statements and the working capital position of the Group for FY2021, FY2022 and FY2023, and for the six months ended 30 June 2024 ("**1H2024**") are set out in Appendix C to this Circular.

2.16. **Notification under Section 309B of the SFA**

The provisional allotments of Rights Shares, the Rights Shares, the Warrants and the Warrants Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

2.17. **Financial Effects of the Rights Cum Warrants Issue**

2.17.1. **Bases and Assumptions**

The *pro forma* financial effects of the Rights Cum Warrants Issue on the Group are presented **purely for illustrative purposes only and does not purport to be indicative or a projection** of the actual results and financial position of the Company and/or the Group immediately after the completion of the Rights Cum Warrants Issue.

The *pro forma* financial effects of the Rights Cum Warrants Issue have been computed based on the audited consolidated financial statements of the Group for FY2023, on the following bases and assumptions:

- (a) the financial effects on the consolidated NTA per Share of the Group and the gearing of the Group is computed on the assumption that (i) the Share Consolidation; (ii) the LSO Acquisition; (iii) the RCN Issuance; and (iv) the Rights Cum Warrants Issue were completed on 31 December 2023. Please refer to the Company's circulars to Shareholders dated 14 December 2023 and 5 July 2024 for information on the bases and assumptions used in the computation of the financial effects arising from the Share Consolidation, the LSO Acquisition, and the RCN Issuance;

LETTER TO SHAREHOLDERS OF THE COMPANY

- (b) the financial effects on the EPS of the Group is computed on the assumption that (i) the Share Consolidation; (ii) the LSO Acquisition; (iii) the RCN Issuance and specifically, the drawdown of S\$2.0 million via the T2 Notes pursuant to the RCN Issuance; and (iv) the Rights Cum Warrants Issue were completed on 1 January 2023. Please refer to the Company's circulars to Shareholders dated 14 December 2023 and 5 July 2024 for information on the bases and assumptions used in the computation of the financial effects arising from the Share Consolidation, the LSO Acquisition, and the RCN Issuance;
- (c) for the Maximum Subscription Scenario, it is assumed that the remaining Conversion Shares of 74,972,617 are allotted and issued pursuant to the RCN Issuance (at an issue price of S\$0.0144, being the closing price on the Latest Practicable Date) and all Warrants are exercised and an aggregate of 729,014,126 Warrants Shares are allotted and issued, and the Company raised additional gross proceeds of approximately S\$2.2 million from the full exercise of the Warrants;
- (d) for the Minimum Subscription Scenario, it is assumed that the Company did not issue any of the remaining 74,972,617 Conversion Shares, the Undertaking Shareholders did not exercise the Warrants, no allotment and issuance of any Warrants Shares, with no additional proceeds raised by the Company from the Warrants; and
- (e) the estimated expenses that may be incurred in connection with the Rights Cum Warrants Issue is approximately S\$0.3 million.

2.17.2. Share Capital

As at 31 December 2023	Minimum Subscription Scenario		Maximum Subscription Scenario	
	Number of Shares	S\$' million	Number of Shares	S\$' million
As at the Latest Practicable Date ⁽¹⁾	654,041,509	166.60	729,014,126	167.68
Add: Rights Shares to be issued	523,415,392	2.62	1,093,521,189	5.47
Add: Warrants Shares to be issued	-	-	729,014,126	2.19
Resultant enlarged issued and paid-up share capital	1,177,456,901	169.21	2,551,549,441	175.33

Note:

- (1) Number of Shares as at the Latest Practicable Date includes the effects of the following corporate actions by the Company that were completed after FY2023:
 - (a) Share consolidation of every 65 Shares into 1 Share ("**Share Consolidation**") which was completed in June 2024. Please refer to the Company's circular to Shareholders dated 14 December 2023, and the Company's announcements dated 27 October 2023, 31 May 2024, and 11 June 2024 for further information on the Share Consolidation;
 - (b) Allotment and issuance of an aggregate 96,750,039 Conversion Shares pursuant to the RCN Issuance; and
 - (c) Allotment and issuance of (i) an aggregate of 184,615,385 Shares to the Vendors, (ii) 15,384,615 Shares to Advance Capital Partners Pte Ltd, (iii) 6,153,846 Shares to ILAW, and (iv) 7,692,308 Shares to ZICAP, pursuant to the LSO Acquisition.

2.17.3. NTA per Share

As at 31 December 2023	Minimum Subscription Scenario	Maximum Subscription Scenario
NTL as at 31 December 2023 (S\$' million)	(7.25)	(7.25)

LETTER TO SHAREHOLDERS OF THE COMPANY

NTA after the Share Consolidation, the LSO Acquisition, and the RCN Issuance	10.05	11.13
Add: Net proceeds from the Rights Cum Warrants Issue (S\$ million)	2.32	5.17
Adjusted NTA after the Rights Cum Warrants Issue (S\$ million)	12.37	16.30
Before the Rights Cum Warrants Issue		
Number of Shares before the Rights Cum Warrants Issue	654,041,509	729,014,126
NTA per Share after the Share Consolidation, the LSO Acquisition, and the RCN Issuance, but before the Rights Cum Warrants Issue (S\$ cents)	1.54	1.53
After the Rights Cum Warrants Issue		
Number of Shares after the Rights Cum Warrants Issue	1,177,456,901	2,551,549,441
Adjusted NTA per Share after the Rights Cum Warrants Issue (S\$ cents)	1.05	0.64

2.17.4. LPS

For FY2023	Minimum Subscription Scenario	Maximum Subscription Scenario
Loss attributable to Shareholders for FY2023 (S\$ million)	(4.02)	(4.02)
Adjusted loss attributable to Shareholders after the Share Consolidation, the LSO Acquisition, the RCN Issuance, but before the Rights Cum Warrants Issue	(3.18)	(3.18)
Adjusted loss attributable to Shareholders after the Share Consolidation, the LSO Acquisition, the RCN Issuance, and the Rights Cum Warrants Issue	(3.48)	(3.48)
Before the Rights Cum Warrants Issue		
Weighted average number of Shares before the Rights Cum Warrants Issue	654,041,509	729,014,126
LPS before the Rights Cum Warrants Issue (S\$ cents)	(0.49)	(0.44)
After the Rights Cum Warrants Issue		
Weighted average number of Shares after the Rights Cum Warrants Issue	1,177,456,901	2,551,549,441
Adjusted LPS after the Rights Cum Warrants Issue (S\$ cents)	(0.30)	(0.14)

LETTER TO SHAREHOLDERS OF THE COMPANY

2.17.5. Gearing

As at 31 December 2023	Minimum Subscription Scenario	Maximum Subscription Scenario
Before the Rights Cum Warrants Issue		
Total debt as at 31 December 2023 (S\$' million)	18.24	18.24
Total debt after the Share Consolidation, the LSO Acquisition, and the RCN Issuance, but before the Rights Cum Warrants Issue (S\$' million)	15.83	14.75
Shareholders' equity after the Share Consolidation, the LSO Acquisition, and the RCN Issuance, but before the Rights Cum Warrants Issue (S\$' million)	10.05	11.13
Gearing before the Rights Cum Warrants Issue (S\$' million)	1.58	1.33
After the Rights Cum Warrants Issue		
Total debt after the Rights Cum Warrants Issue (S\$' million)	15.83	14.75
Shareholders' equity after the Rights Cum Warrants Issue (S\$' million)	12.37	16.30
Gearing after the Rights Cum Warrants Issue (times)	1.28	0.91

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1. Interests in Shares

The interests of the Directors and the Substantial Shareholders in Shares as at the Latest Practicable Date are set out in the table below:

Parties	As at the Latest Practicable Date				Resultant of Shares after Minimum Subscription Scenario (assuming all entitled Warrants are fully exercised)				Resultant of Shares after Maximum Subscription Scenario (assuming all entitled Warrants are fully exercised)			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
Directors												
SCH	17,948,723	2.74	-	-	227,487,196	14.90	-	-	62,820,529	2.46	-	-
LCC	61,538,461	9.41	-	-	215,384,612	14.11	-	-	215,384,612	8.44	-	-
Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi	-	-	-	-	-	-	-	-	-	-	-	-
Mandie Chong Man Sui	-	-	-	-	-	-	-	-	-	-	-	-
Steven Shen Hing	-	-	-	-	-	-	-	-	-	-	-	-
Chng Hee Kok	-	-	-	-	-	-	-	-	-	-	-	-
Ling Chung Yee, Roy	-	-	-	-	-	-	-	-	-	-	-	-

LETTER TO SHAREHOLDERS OF THE COMPANY

Parties	As at the Latest Practicable Date				Resultant of Shares after Minimum Subscription Scenario (assuming all entitled Warrants are fully exercised)				Resultant of Shares after Maximum Subscription Scenario (assuming all entitled Warrants are fully exercised)			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
Substantial Shareholders												
VLL	61,538,462	9.41	-	-	215,384,617	14.11	-	-	215,384,617	8.44	-	-
SCSI	61,538,462	9.41	-	-	215,384,617	14.11	-	-	215,384,617	8.44	-	-
Lee Su Hui Lena	-	-	76,923,076 ⁽⁴⁾	11.76	-	-	76,923,076 ⁽⁴⁾	5.04	-	-	269,230,766 ⁽⁴⁾	10.55
Dato' Michael Loh Soon Gnee	68,376,068	10.45	-	-	68,376,068	4.48	-	-	239,316,238	9.38	-	-
ASTI	89,242,952	13.64	-	-	89,242,952	5.85	-	-	312,350,332	12.24	-	-

Notes:

- (1) The percentage of shareholding is calculated based on 654,041,509 Shares as at the Latest Practicable Date.
- (2) The percentage of shareholding is calculated based on the total enlarged share capital of the Company, comprising 1,526,400,494 Shares in the Minimum Subscription Scenario, following the issuance of all the Rights Shares and Warrants Shares (assuming fully exercised).
- (3) The percentage of shareholding is calculated based on the total enlarged share capital of the Company, comprising 2,551,549,441 Shares in the Maximum Subscription Scenario, following the issuance of all the Rights Shares and Warrants Shares (assuming fully exercised).
- (4) Lee Su Hui Lena is deemed interested in the Shares held by nominees.

3.2. Interests in the Proposed Transactions

Save for the Irrevocable Undertakings and information disclosed in this Circular, none of the Directors or the Substantial Shareholders or their respective associates has any interest, direct or indirect, in the Rights Cum Warrants Issue (other than through their capacity as Directors or Shareholders as disclosed in Section 3.1 of this Circular).

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages EGM - 1 to EGM - 4 of this Circular, will be held by physical means at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2 on Friday, 8 November 2024, 3.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution in relation to the Rights Cum Warrants Issue as set out in the Notice of EGM.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy (including appointing the Chairman as the proxy) to attend, speak and vote at the EGM on their behalf, should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event to arrive at the registered office of the Company at 3014 Ubi Road 1 #02-282, Kampong Ubi Industrial Estate, Singapore 408702, not less than 72 hours before the time fixed for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him/her from attending, speaking and voting in person at the EGM if he/she so wishes in place of his proxy.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register maintained by the CDP at least 72 hours before the time fixed for the EGM or any adjournment thereof.

LETTER TO SHAREHOLDERS OF THE COMPANY

6. OFFER INFORMATION STATEMENT

The Offer Information Statement will be despatched or, as the case may be, disseminated by the Company to Entitled Shareholders in due course, subject to, among others, the approval of Shareholders for the Rights Cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Rights Cum Warrants Issue may be made through the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE, in the case of Entitled Depositors;
- (c) the ARS, in the case of Purchasers whose registered addresses with CDP are in Singapore; and
- (d) the ATMs of the Participating Bank(s), providing electronic applications through such ATMs, in the case of Entitled Depositors or their renounees or Purchasers.

The procedures for, and the terms and conditions applicable to, the acceptances, renunciations and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares with Warrants pursuant to the Rights Cum Warrants Issue, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

7. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, among others, the rationale for the Rights Cum Warrants Issue and the terms of the Rights Cum Warrants Issue as set out in Section 2 of this Circular, are of the opinion that the Rights Cum Warrants Issue is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Rights Cum Warrants Issue as set out in the Notice of EGM to be proposed at the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. MANAGER'S CONSENT

The Manager has given and has not withdrawn its written consent to act in such capacity in relation to this Circular and to the issue of this Circular with the inclusion of its name, and all references thereto, in the form and context in which they appear in this Circular.

10. MANAGER'S RESPONSIBILITY STATEMENT

To the best of the Manager's knowledge and belief, this Circular constitutes full and true disclosure of all material facts on the Rights Cum Warrants Issue, the Company and its subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement in this Circular in respect of the Rights Cum Warrants Issue misleading.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 3014 Ubi Road 1 #02-282, Kampong Ubi Industrial Estate, Singapore 408702, during normal business hours, for three (3) months from the date of this Circular:

- (a) the Constitution of the Company;

LETTER TO SHAREHOLDERS OF THE COMPANY

- (b) the annual reports of the Company for FY2021, FY2022 and FY2023;
- (c) the Company's unaudited financial results announcement for 1H2024;
- (d) the draft of the Deed Poll;
- (e) the Undertaking Shareholders' letters of Irrevocable Undertakings; and
- (f) the Manager's letter of consent referred to in Section 9 of this Circular.

Yours faithfully,

For and on behalf of the Board of Directors of
Advanced Systems Automation Limited

SEAH CHONG HOE
Director

24 October 2024

APPENDIX A – DETAILS OF THE IRREVOCABLE UNDERTAKINGS

The table below sets out information on the “**Undertaking Shareholders**”, together with corresponding details on their respective Irrevocable Undertakings as well as their respective resultant shareholding interests in the Company based on the Minimum Subscription Scenario and assuming full conversion of their respective Warrants:

No.	Name of Undertaking Shareholders	No. of Shares held as at 16 October 2024 / Percentage (%) ⁽¹⁾	No. of entitled Rights Shares ⁽²⁾	No. of entitled Rights Shares undertaken	No. of Excess Rights Shares with Warrants undertaken	Total Subscription Amount (\$\$) ⁽³⁾	Subscription Amount in Cash (\$\$)	No. of entitled Warrants ⁽²⁾	No. of Shares held after the subscription in accordance with the Irrevocable Undertakings based on the Minimum Subscription Scenario and full exercise of the entitled Warrants / Percentage (%) ⁽⁸⁾
(a)	VLL	61,538,462 (9.41%)	92,307,693	92,307,693	-	461,538.47	-(4)	61,538,462	215,384,617 (14.11%)
(b)	LCC	61,538,461 (9.41%)	92,307,691	92,307,691	-	461,538.46	-(4)	61,538,460	215,384,612 (14.11%)
(c)	SCSI	61,538,462 (9.41%)	92,307,693	92,307,693	-	461,538.47	-(4)	61,538,462	215,384,617 (14.11%)
(d)	AOF Group	50,468,339 (7.72%)	75,702,508	-	100,000,000 ⁽⁵⁾	500,000.00	500,000.00 ⁽⁵⁾	66,666,666	217,135,005 (14.23%)
(e)	SCH	17,948,723 (2.74%)	26,923,084	26,923,084	98,800,000 ⁽⁶⁾	628,615.42	-(6)	83,815,389	227,487,196 (14.90%)
(f)	ILAW	6,153,846 (0.94%)	9,230,769	9,230,769	-	46,153.85	-(7)	6,153,846	21,538,461 (1.41%)
(g)	ZICAP	7,692,308 (1.18%)	11,538,462	11,538,462	-	57,692.31	-(7)	7,692,308	26,923,078 (1.76%)
Total		266,878,601 (40.80%)	400,317,900	324,615,392	198,800,000	2,617,076.96	500,000.00	348,943,593	1,139,237,586 (74.64%)

Notes:

- (1) Based on the Company's existing issued and paid-up share capital of 654,041,509 Shares and the respective Undertaking Shareholder's number of Shares held as at 16 October 2024 being the date of the Company's announcement of the Irrevocable Undertakings on SGXNet.
- (2) Fractional entitlements are disregarded.
- (3) Based on the Issue Price of S\$0.005 for each Rights Share.
- (4) VLL, LCC and SCSI have each agreed that 100% of the subscription monies payable for their respective entitlements under the Rights Cum Warrants Issue will be set off against a portion of the cash consideration owed by the Company to them in their respective capacity as Vendors in connection with the LSO Acquisition. As at the Latest Practicable Date, the outstanding cash consideration payable to the Vendors for the LSO Acquisition amounts to an aggregate of S\$6.0 million. Upon the offsetting of the said subscription monies for their respective entitlements under the Rights Cum Warrants Issue against such amounts owed to them by the Company, the remaining cash consideration owed by the Company to **each** of VLL, LCC and SCSI will be reduced to approximately S\$1.54 million, with an aggregate of S\$4.62 million.
- (5) AOF I and AOF VCC, have agreed that they will be, jointly and severally, apply for and if successfully allotted, subscribe for 100,000,000 Excess Rights Shares with Warrants in cash in the event that there are any Rights Shares which remain unsubscribed for by the Entitled Shareholders at the closing date of the Rights Cum Warrants Issue.
- (6) SCH has agreed that 100% of the subscription monies payable for his entitlements under the Rights Cum Warrants Issue, and his application for the 98,800,000 Excess Rights Shares with Warrants that remain unsubscribed by the Entitled Shareholders at the closing date of the Rights Cum Warrants Issue after satisfying all applications and Excess Application (if any) of the Rights Shares, will be partially set off against the sums owed by the Company to him in regard to loans provided by SCH in his capacity as a substantial shareholder of the Company, for working capital purposes.

APPENDIX A – DETAILS OF THE IRREVOCABLE UNDERTAKINGS

- (7) ILAW and ZICAP have each agreed that 100% of the subscription monies payable for their respective entitlements under the Rights Cum Warrants Issue will be set off against a portion of the outstanding professional fees owed by the Company to ILAW and ZICAP respectively, for their professional services rendered in connection with the LSO Acquisition.
- (8) Based on the Company's enlarged issued and paid-up share capital of 1,526,400,494 Shares under the Minimum Subscription Scenario after the completion of the Rights Cum Warrants Issue and assuming the full exercise of the entitled Warrants by the respective Undertaking Shareholders.

[the remainder of this page is intentionally left blank]

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

1. The adjustments to the Closing Price for the purposes of determining the Conversion Price of T1 and T2 as set out in Conditions 10.5-10.13, Schedule 3C of the Subscription Agreement are reproduced below.
2. The extract of Condition 10.5 is set out below:

- (a) if the Company shall (i) make a Stock Split, (ii) consolidate the outstanding Shares into a smaller number of shares, or (iii) re-classify any of the Shares into other securities of the Company, then the Closing Price shall be appropriately adjusted so that the Noteholders, the Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 10.5(a), shall be entitled to receive the number of the Shares and/or other securities of the Company which it would have held or have been entitled to receive after the happening of any of the events described above had such Notes been converted immediately prior to the happening of such event (or, if the Company has fixed a prior record date for the determination of the Shareholders entitled to receive any such Shares or other securities issued upon any such Stock Split, consolidations or re-classification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Closing Price made with effect from the date of the happening of such event (or such record date) or any time thereafter. An adjustment made pursuant to this Condition 10.5(a) shall become effective immediately on the happening of the relevant event or, if a prior record date is fixed therefore, immediately after the record date; PROVIDED THAT in the case of a relevant transaction which must, under the applicable laws of Singapore, be submitted for approval to a general meeting of the Shareholders or to a meeting of the board of directors of the Company before being legally effective, and which is so approved after the record date fixed for the determination of the Shareholders entitled to receive such Shares or other securities, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to a day immediately after such record date.

If the Company shall make a Stock Split, consolidation of the outstanding Shares and/or re-classification of the Shares, and the record date therefore is also:-

- (aa) the record date for the issue of any rights or warrants which requires an adjustment of the Closing Price pursuant to Conditions 10.5(b) or 10.5(c), or
- (bb) the date of issue of any securities convertible into or exchangeable for the Shares which requires an adjustment of the Closing Price pursuant to Condition 10.5(e), or
- (cc) the day immediately before the date of issue of any Shares which requires an adjustment of the Closing Price pursuant to 10.5(f), or
- (dd) the date of issue of any rights or warrants which requires an adjustment of the Closing Price pursuant to Condition 10.5(g),

then (except where such Stock Split gives rise to a retroactive adjustment of the Closing Price under this Condition 10.5(a)) no adjustment of the Closing Price in respect of such Stock Split, consolidation of the outstanding Shares and/or re-classification of the Shares shall be made under this Condition 10.5(a), but in lieu thereof an adjustment shall be made under Conditions 10.5(b), (c), (e), (f), (g) or (h), as the case may be, by including in item "NS" (in the case of Condition 10.5(h), "NS1", "NS2" and "NS3") of the formula described therein the aggregate number of additional Shares to be delivered pursuant to such Stock Split, consolidation of the outstanding Shares and/or re-classification of the Shares, as the case may be;

- (b) if the Company shall grant, issue or offer to the holders of the Shares rights or warrants entitling them to subscribe for or purchase the Shares:-
 - (i) at a consideration per Share receivable by the Company (determined as provided in Condition 3) which is fixed on or prior to the record date mentioned below and is less than 95% of the prevailing market price per Share on such record date; or
 - (ii) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than 95% of the

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

prevailing market price per Share on the date in Singapore the Company fixes the said consideration,

then the Closing Price in effect (in a case within (i) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{OS + v}{OS + NS}$$

where:-

"NCDP" = the Closing Price after such adjustment.

"OCDP" = the Closing Price before such adjustment.

"OS" = the number of Shares outstanding (having regard to Condition 10.7) at the close of business in Singapore (in a case within (i) above) on such record date or (in a case within (ii) above) on the date the Company fixes the said consideration.

"NS" = the number of Shares to be issued on exercise of such rights or warrants at the initial subscription or purchase price.

"v" = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 3) would purchase at such prevailing market price per Share specified in (i) or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the record date for the said determination.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Shares, any such rights or warrants and/or Shares which are not subscribed for or purchased by the persons entitled thereto are offered to and/or subscribed for by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Closing Price by reason of such offer and/or subscription;

(c) if the Company shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares:-

(i) at a consideration per Share receivable by the Company (determined as provided in Condition 3) which is fixed on or prior to the record date mentioned below and is less than 95% of the prevailing market price per Share on such record date; or

(ii) at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than 95% of the prevailing market price per Share on the date in Singapore the Company fixes the said consideration,

then the Closing Price in effect (in a case within (i) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{OS + v}{OS + NS}$$

where:-

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5(b).

- "OS" = the number of Shares outstanding (having regard to Condition 10.7) at the close of business in Singapore (in a case within (i) above) on such record date or (in a case within (ii) above) on the date the Company fixes the said consideration.
- "NS" = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial subscription or purchase, and conversion or exchange, price or rate following exercise of such rights or warrants.
- "v" = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 10.6) would purchase at such prevailing market price per Share specified in (i), or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the record date for the said determination.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares, any such securities convertible into or exchangeable for Shares which are not subscribed for or purchased by the persons entitled thereto are offered to and/or subscribed for by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Closing Price by reason of such offer and/or subscription;

- (d) if the Company shall distribute to the holders of Shares evidences of its indebtedness, ordinary shares of the Company (other than Shares arising from the conversion of the Notes), assets (excluding annual dividends or interim dividends) or rights or warrants to subscribe for or purchase securities (other than those rights and warrants referred to in Conditions 10.5(b) and 10.5(c)), then the Closing Price in effect on the record date for the determination of Shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{CMP - fmv}{CMP}$$

where:-

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5(b).

- "CMP" = the prevailing market price per Share on the record date for the determination of Shareholders entitled to receive such distribution.
- "fmv" = the fair market value (as determined by the Company or, if pursuant to applicable Singapore law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court, and in any case described in a statement delivered by the Company to the Noteholder) of the portion of the evidences of indebtedness, shares, assets, rights or warrants so distributed applicable to one (1) Share.

In making a determination of the fair market value of any such rights or warrants, the Company shall consult an independent merchant bank or financial adviser (who shall act as an expert) selected by the board of directors of the Company and shall take fully into account the advice received from such bank or adviser. Such adjustment shall become effective immediately after the record date for the determination of Shareholders entitled to receive such distribution, Provided, however, that (i) if such distribution must, under applicable Laws, be approved by a

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

general meeting of Shareholders or a meeting of the board of directors of the Company before being legally made, and if such distribution is so approved after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (ii) if the fair market value of the evidences of indebtedness, shares, assets, rights or warrants so distributed cannot be determined until after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such record date;

- (e) if the Company shall issue any securities convertible into or exchangeable for Shares (other than the Notes or in any of the circumstances described in Condition 10.5(c) and Condition 10.5(f)) or where such securities are issued to the vendors of assets being acquired for full value by the Company and the consideration per Share receivable by the Company (determined as provided in Condition 3) shall be less than 95% of the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting), then the Closing Price in effect on the date of the issue of such convertible or exchangeable securities shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{OS + v}{OS + NS}$$

where:-

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5(b).

- "OS" = the number of Shares outstanding (having regard to Condition 10.7) at the close of business in Singapore on the date of such issue.
- "NS" = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate.
- "v" = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 10.6) would purchase at such prevailing market price per Share.

Such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the place of issue upon which such convertible or exchangeable securities shall be issued;

- (f) if the Company shall issue any Shares (other than Shares issued to shareholders of any corporation which merges into the Company upon such merger in proportion to their shareholding in such corporation immediately prior to such merger and other than Shares issued on exercise of the conversion rights attaching to the Notes or pursuant to a scrip dividend or pursuant to an exercise of any rights attached to securities the issue of which had given rise to an adjustment under sub-paragraph (e) of this Condition or did not require any adjustment pursuant to these Conditions) and the consideration per Share receivable by the Company (determined as provided in Condition 3) shall be less than 95% of the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting), then the Closing Price in effect on the date of the issue of such additional Shares shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{OS + v}{OS + NS}$$

where:-

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5 (b).

"OS" = the number of Shares outstanding (having regard to Condition 10.7) at the close of business in Singapore on the day immediately prior to the date of issue of such additional Shares.

"NS" = the number of additional Shares being issued as aforesaid.

"v" = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 10.6) would purchase at such prevailing market price per Share.

Such adjustment shall become effective as at the date in Singapore on which the Company issues such additional Shares;

- (g) if the Company shall issue any rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares (other than the Notes and any rights or warrants granted, issued or offered to the holders of Shares or pursuant to the terms of any securities) and the consideration per Share receivable by the Company (determined as provided in Condition 3) shall be less than 95% of the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such rights or warrants is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting), then the Closing Price in effect on the date of the issue of such rights or warrants shall be adjusted in accordance with the following formula:-

$$NCDP = OCDP \times \frac{OS + v}{OS + NS}$$

where:-

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5(b).

"OS" = the number of Shares outstanding (having regard to Condition 10.7) at the close of business in Singapore on the date of such issue.

"NS" = the number of Shares to be issued on exercise of such rights or warrants at the initial subscription or purchase price, or upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate following exercise of such rights or warrants.

"v" = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 3) would purchase at such prevailing market price per Share on the date in Singapore on which the Company fixes such consideration (or the date on which the board of directors of the Company fixes the consideration, as appropriate).

Such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the place of issue upon which such rights or warrants shall be issued;

- (h) if the Company shall issue securities of a type falling within Conditions 10.5(e), (f) or (g) above which otherwise require an adjustment to the pursuant thereto and the date of issue of such securities, in the case of Condition 10.5(e) or (g), or the day immediately prior to such date of issue, in the case of Condition 10.5(f), (in each case, the "relevant date") is also the relevant date in respect of securities of another type or types (including a different tranche or issue of a same type) falling within Conditions 10.5(e), (f) and/or (g) which otherwise require an adjustment to the Closing Price pursuant thereto (all such securities being hereafter referred to as "Securities"), then any adjustment of the Closing Price shall not be made separately under each such sub-paragraph but in one calculation in accordance with the following formula:-

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

$$NCDP = OCDP \times \frac{OS + v1 + v2 + v3}{OS + NS1 + NS2 + NS3}$$

where:-

"NCDP" and "OCDP" have the meanings ascribed thereto in Condition 10.5(b).

- "OS" = the number of Shares outstanding (having regards to Condition 10.7) at the close of business in Singapore on the relevant date.
- "NS1" = the number of Shares to be issued upon conversion or exchange of any convertible or exchangeable securities (included within the Securities) at the initial conversion or exchange price or rate.
- "NS2" = the number of any additional Shares (included within the Securities) being issued.
- "NS3" = the number of Shares to be issued on exercise of any rights or warrants (included within the Securities) at the initial subscription or purchase price, or upon conversion or exchange of any convertible or exchangeable securities at the initial conversion or exchange price or rate following exercise of such rights or warrants.
- "v1" = the number of Shares which the aggregate consideration receivable by the Company for such convertible or exchangeable securities (determined as provided in Condition 3) would purchase at the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the Board of the Directors of the Company fixes the consideration to be recommended at such meeting).
- "v2" = the number of Shares which the aggregate consideration receivable by the Company for the issue of such additional Shares (determined as provided in Condition 3) would purchase at the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting).
- "v3" = the number of Shares which the aggregate consideration receivable by the Company for the issue of the total number of Shares to be issued on exercise of such rights or warrants and (if applicable) upon conversion or exchange of such convertible or exchangeable securities (determined as provided in Condition 3) would purchase at the prevailing market price per Share on the date in Singapore on which the Company fixes the said consideration (or, if the issue of such rights or warrants is subject to approval by a general meeting of Shareholders, on the date in Singapore on which the board of directors of the Company fixes the consideration to be recommended at such meeting).

Any such adjustment shall become effective immediately after the calendar day in Singapore corresponding to the calendar day at the relevant place of issue which is the relevant date.

For the avoidance of doubt, this Condition 10.5(h) does not supersede the provisions of Conditions 10.5 (e), (f) and (g); and

- (i) if the Company makes a Capital Distribution which does not fall within paragraphs (a) to (h) above, the Closing Price shall be adjusted by multiplying the Closing Price in force immediately before such Capital Distribution by the following formula:-

$$\frac{X - Y}{X}$$

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

where:-

"X" is the prevailing market price per Share on the last Business Day preceding the date on which the Capital Distribution is publicly announced; and

"Y" is the fair market value on the date of such announcement, as determined in good faith by an independent investment bank or investment adviser licensed or approved by the MAS selected by the Company, and acting as an expert, of the portion of the Capital Distribution attributable to one (1) Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made.

3. The extract of Conditions 10.6-10.13 is set out below:

10.6 For the purposes of any calculation of the consideration receivable pursuant to Conditions 10.5(b), (c), (d), (e), (f), (g), (h) above, the following provisions shall be applicable:-

- (a) in the case of the issue of Shares for cash, the consideration shall be the amount of such cash, PROVIDED THAT in no case shall any deduction be made for any commissions or any expenses paid or incurred by or on behalf of the Company for any underwriting of the issue or otherwise in connection therewith;
- (b) in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the board of directors of the Company (and in making such determination the board of directors of the Company shall consult an independent merchant bank or financial adviser in Singapore selected by the board of directors of the Company and approved by the Majority Noteholders (such approval not to be unreasonably withheld or delayed) and shall take fully into account the advice received from such bank or adviser) or, if pursuant to applicable Singapore such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof;
- (c)
 - (i) in the case of the issue of securities convertible into or exchangeable for Shares, the aggregate consideration to be determined in accordance with (a) and (b) above receivable by the Company shall be deemed to be the consideration to be determined in accordance with (a) and (b) above for any such securities plus the additional consideration to be determined in accordance with (a) and (b) above (if any) to be received by the Company upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate; and
 - (ii) in the case of the issue of rights or warrants to subscribe for securities convertible into or exchangeable for Shares, the aggregate consideration receivable by the Company shall be the consideration to be determined in accordance with (a) and (b) above (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise thereof at the initial subscription or purchase price and (if applicable) upon the following conversion or exchange of such securities at the initial conversion or exchange price or rate. The consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate (if applicable) following the exercise of such rights or warrants;
- (d) in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Company shall be deemed to be the

APPENDIX B – ADJUSTMENTS TO THE CLOSING PRICE OF THE CONVERSION PRICE OF T1 NOTES AND T2 NOTES

consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in subparagraphs (a) and (b) above), and the consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such exercise at the initial subscription or purchase price; and

- (e) if any consideration referred to in the foregoing provisions of this Condition 3 is receivable in a currency other than S\$, such consideration shall, in any case where there is a fixed rate of exchange between S\$ and the relevant currency provided for the purposes of the issue of such Shares or the conversion or exchange of such securities or the exercise of such rights or warrants, be translated into S\$ for the purposes of this Condition 3 at such fixed rate of exchange and shall, in all other cases, be so translated at the mean of the exchange rate quotations (being quotations for the cross rate through United States dollars if no direct rate is quoted) by a major merchant bank in Singapore for buying and selling spot units of the relevant currency by telegraphic transfer against S\$ on the date as at which such consideration is required to be calculated.

- 10.7 If, at the time of computing an adjustment (the "**later adjustment**") of the Closing Price pursuant to any of Condition 10.5(b) to Condition 10.5(h) (inclusive), the Closing Price already incorporates an adjustment to reflect the issue of such Shares, rights or warrants to subscribe for or purchase such Shares or other securities convertible into or exchangeable for such Shares, but such Shares are not outstanding at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such Shares shall be deemed to be outstanding for the purposes of making such computation to the extent that the number of the Shares so deemed to be outstanding exceeds the actual number of Shares in issue as a result thereof at the time of making such computation.
- 10.8 No adjustment of the Closing Price shall be required unless such adjustment would result in an increase or decrease in such price of at least one tenth (1/10) of one (1) Singapore cent. Any adjustment which by reason of this Condition 10.8 is not required to be made shall be carried forward in any subsequent adjustment. All calculations (including, without limitation, calculations of the Closing Price and the current market price per Share) under this Condition 10 shall be made to the fourth decimal place.
- 10.9 Any reference in Condition 10.5 to the date on which the consideration is "fixed" shall be construed as a reference to the first day on which such consideration in a cash amount can be ascertained, where the consideration is originally expressed by reference to a formula and not then ascertainable in a cash amount.
- 10.10 [DELETED].
- 10.11 Whenever the Closing Price is adjusted as provided herein, the Company shall promptly notify the Noteholders setting for the VWAP after such adjustment and setting forth a brief statement on the facts requiring such adjustment and the effective date thereof, PROVIDED THAT where a notice has been given of such adjustment pursuant to Condition 10.5, and such notice shall have correctly stated any information required to be given pursuant to this Condition 10.11, then such notice shall, as to such information, satisfy the requirements of this Condition 10.11.
- 10.12 [DELETED].
- 10.13 All Notes which are redeemed or converted will forthwith be cancelled by the Company and may not be reissued or resold.

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

Financial performance

The information set out in this Appendix C are extracted from the audited financial statements of the respective financial years (set out in Annual Report of the Company for the respective financial years), as well as the half year results announcement for 1H2024.

The audited consolidated statement of profit and loss and other comprehensive income of the Group for FY2021 (i.e. for the financial year ended 31 December 2021), FY2022 (i.e. for the financial year ended 31 December 2022), and FY2023 (i.e. for the financial year ended 31 December 2023) and the unaudited consolidated statement of profit and loss and other comprehensive income of the Group for 1H2023 (i.e. for the six months ended 30 June 2023) and 1H2024 (i.e. for the six months ended 30 June 2024) are set out below:

A. Statement of Profit or Loss and other Comprehensive Income

	Audited FY2021	Audited FY2022	Audited FY2023	Unaudited 1H2023	Unaudited 1H2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	18,990	15,042	12,928	5,825	8,620
Cost of sales	(13,295)	(10,251)	(8,913)	(4,338)	(6,106)
Gross profit	5,695	4,791	4,015	1,487	2,514
Other income	67	314	137	20	64
Selling and marketing costs	(1,017)	(848)	(730)	(361)	(229)
General and administrative costs	(4,328)	(3,496)	(4,307)	(1,898)	(2,270)
Other expenses/income, net	(374)	(477)	(804)	98	47
Finance costs, net	(218)	-	(1,988)	(410)	(424)
(Loss)/Profit before tax from continuing operations	(175)	284	(3,677)	(1,064)	(298)
Income tax (expense)/credit	(602)	(261)	(340)	16	(223)
(Loss)/Profit from continuing operations, net of tax	(777)	23	(4,017)	(1,048)	(521)
Profit from discontinued operations, net of tax	533	-	-	-	-
(Loss)/Profit for the year/period	(244)	23	(4,017)	(1,048)	(521)
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	(87)	(516)	(506)	(393)	68
Total comprehensive loss for the year/period, attributable to owners of the Company	(331)	(493)	(4,523)	(1,441)	(453)
(Loss)/Earning per share (cents per share)					
- Basic and diluted	(0.0011)	0.0001	(0.0180)	(0.3053)	(0.1517)

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

1H2024 vs 1H2023

The Group recorded revenue of S\$8.6 million in 1H2024, an increase of S\$2.8 million or 48% from S\$5.8 million in 1H2023. The increase in revenue was mainly due to higher demand from customers.

Gross profit margin (“GPM”) of the Group in 1H2024 was 29%, which was 3% higher as compared to the GPM of 26% in 1H2023 mainly due to changes in the sales mix in 1H2024.

Selling and marketing (“S&M”) costs decreased by 37% or S\$0.2 million from S\$0.4 million in 1H2023 to S\$0.2 million in 1H2024 mainly due to lower sales commission expenses incurred in 1H2024 and full impairment of goodwill on customer relationship as at 31 December 2023.

General and administrative (“G&A”) costs increased by 20% or S\$0.4 million from S\$1.9 million in 1H2023 to S\$2.3 million in 1H2024 mainly due to professional and consultancy fees incurred for the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. (“**Proposed Acquisition**”) during 1H2024. Please refer to the Company’s circular to shareholders of the Company dated 5 July 2024 in relation to, *inter alia*, the Proposed Acquisition for further information.

Other expenses included foreign exchange gain of S\$0.04 million in 1H2024 and S\$0.07 million in 1H2023. The foreign exchange gain was mainly due to the strengthening of the Singapore Dollar against the Malaysian Ringgit.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$0.5 million in 1H2024, as compared to a net loss of S\$1.0 million in 1H2023.

FY2023 vs FY2022

The Group recorded revenue of S\$12.9 million for FY2023, a decrease of S\$2.1 million or 14% as compared to FY2022. The decrease in revenue was mainly due to lower sales demand from customers.

GPM of the Group in FY2023 was 31%, which was 1% lower as compared to the GPM of 32% in FY2022. This was mainly due to changes in the sales mix in FY2023.

S&M costs in FY2023 declined by S\$0.1 million or 14%, from S\$0.8 million in FY2022 to S\$0.7 million in FY2023. The decrease was mainly due to lower sales promotion expenses incurred in FY2023.

G&A costs in FY2023 increased by 23%, as compared to the G&A costs incurred in FY2022. The increase was mainly due to professional and consultancy fees incurred for the Proposed Acquisition during FY2023. Please refer to the Company’s circular to shareholders dated 5 July 2024 (“**July Circular**”) for further information on the Proposed Acquisition.

Finance costs (net) in FY2023 increased by 69% or S\$0.3 million, from S\$0.5 million in FY2022 to S\$0.8 million in FY2023 mainly due to higher interest rates and the conversion of the outstanding amounts due to related parties into new interest-bearing loans in FY2022.

The Group recorded other expenses (net) of S\$2.0 million in FY2023 attributable mainly to the full impairment of intangible assets (comprising goodwill and customer relationships). No such other expenses were recorded in FY2022.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$4.0 million in FY2023, as compared to a net profit of approximately S\$23,000 in FY2022.

FY2022 vs FY2021

The Group recorded revenue of S\$15.0 million for FY2022, a decrease of \$4.0 million or 21% as compared to FY2021. The decrease in revenue mainly due to lower sales demand from customers.

GPM of the Group in FY2022 was 32%, which is 2% higher when compared to the GPM of 30% in FY2021. This was mainly due to changes in the sales mix and savings in sub-contractor costs in FY2022.

S&M costs has declined by \$0.2 million or 17%, from S\$1.0 million in FY2021 to S\$0.8 million in FY2022. The decrease was mainly due to lower sales promotion expenses incurred in FY2022.

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

G&A costs reported in FY2022 has dropped by S\$0.8 million or 19% as compared to the G&A costs incurred in FY2021. The decrease was mainly due to absence of consultancy fees previously incurred for a potential acquisition in FY2021 that has since been aborted.

Finance costs in FY2022 increased by approximately 28% when compared to FY2021. The increase was mainly due to higher interest rates and the conversion of outstanding amounts due to related parties into new interest-bearing loans.

The Group reported a net profit attributable to owners of the Company from continuing operations of S\$23,000 in FY2022 compared to a net loss of S\$0.8 million in FY2021.

[the remainder of this page has been intentionally left blank]

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

B. Statements of Financial Position and Working Capital

The audited consolidated statements of financial position of the Group as at 31 December 2021, 31 December 2022 and 31 December 2023 and the unaudited consolidated statement of financial position of the Group as at 30 June 2024 are set out below:

	<u>Audited as at</u> <u>31 December 2021</u> S\$'000	<u>Audited as at</u> <u>31 December 2022</u> S\$'000	<u>Audited as at</u> <u>31 December 2023</u> S\$'000	<u>Unaudited as at</u> <u>30 June 2024</u> S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	7,771	6,936	6,354	6,284
Intangible assets	2,481	2,131	-	-
Right-of-use assets	231	484	495	653
	<u>10,483</u>	<u>9,551</u>	<u>6,849</u>	<u>6,937</u>
Current Assets				
Inventories	974	1,010	809	427
Trade and other receivables	4,709	2,292	4,386	5,218
Prepayments and advances	94	172	260	92
Cash at bank and on hand	3,151	4,426	4,251	3,831
Tax recoverable	96	229	138	153
	<u>9,024</u>	<u>8,129</u>	<u>9,844</u>	<u>9,721</u>
LIABILITIES				
Current Liabilities				
Other liabilities	2,791	1,518	1,801	1,716
Trade and other payables	14,709	6,147	5,174	5,754
Convertible notes	-	-	2,587	2,587
Contract liabilities	164	122	149	68
Income tax payable	191	110	66	197
Lease liabilities	110	159	187	102
Bank overdraft	799	748	682	712
Loans and borrowings	936	839	662	728
	<u>19,700</u>	<u>9,643</u>	<u>11,308</u>	<u>11,864</u>
Net Current Liabilities	(10,676)	(1,514)	(1,464)	(2,143)
Non-Current Liabilities				
Trade and other payables	-	8,838	10,765	10,947
Lease liabilities	31	159	52	39
Loans and borrowings	1,572	1,354	1,339	1,046
Deferred tax liabilities	437	412	478	464
	<u>2,040</u>	<u>10,763</u>	<u>12,634</u>	<u>12,496</u>
Net Liabilities	<u>(2,233)</u>	<u>(2,726)</u>	<u>(7,249)</u>	<u>(7,702)</u>
EQUITY				
Share capital	148,841	148,841	148,841	148,841
Foreign currency translation reserve	(28)	(544)	(1,050)	(982)
Merger reserve	(2,136)	(2,136)	(2,136)	(2,136)
Accumulated lossess	(148,910)	(148,887)	(152,904)	(153,425)
Capital deficiencies	<u>(2,233)</u>	<u>(2,726)</u>	<u>(7,249)</u>	<u>(7,702)</u>

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

The audited working capital of the Group as at 31 December 2021, 31 December 2022 and 31 December 2023, and the unaudited working capital of the Group as at 30 June 2024 are set out below:

	<u>Audited as at</u> <u>31 December 2021</u>	<u>Audited as at</u> <u>31 December 2022</u>	<u>Audited as at</u> <u>31 December 2023</u>	<u>Unaudited as at</u> <u>30 June 2024</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Current assets	9,024	8,129	9,844	9,721
Current liabilities	19,700	9,643	11,308	11,864
Net current liabilities	(10,676)	(1,514)	(1,464)	(2,143)

A summary of the review of the financial position and working capital of the Group is set out below:

30 June 2024 vs 31 December 2023

Property, plant and equipment decreased by S\$0.1 million, from S\$6.4 million as at 31 December 2023 to S\$6.3 million as at 30 June 2024, mainly due to depreciation costs charged during the period.

Right-of-use assets increased by S\$0.2 million, from S\$0.5 million as at 31 December 2023 to S\$0.7 million as at 30 June 2024, mainly due to new hire-purchase lease.

Inventories decreased by S\$0.4 million, from S\$0.8 million as at 31 December 2023 to S\$0.4 million as at 30 June 2024, due to lower orders from one of the Group's subsidiaries.

Trade and other receivables increased by S\$0.8 million, from S\$4.4 million as at 31 December 2023 to S\$5.2 million as at 30 June 2024, due higher sales in 1H2024.

Prepayments and advances decreased by S\$0.2 million, from S\$0.3 million as at 31 December 2023 to S\$0.1 million as at 30 June 2024, due to lower advances to vendors in 1H2024.

Other liabilities decreased by S\$0.1 million, from S\$1.8 million as at 31 December 2023 to S\$1.7 million as at 30 June 2024, due to decrease in payroll related cost.

Current trade and other payables increased by S\$0.6 million from S\$5.2 million as at 31 December 2023 to S\$5.8 million as at 30 June 2024 mainly due to more materials purchases and higher interest accrued.

Non-current trade and other payables increased by S\$0.1 million from S\$10.8 million as at 31 December 2023 to S\$10.9 million as at 30 June 2024 due to interest costs incurred in 1H2024.

Total loans and borrowings and bank overdrafts decreased by S\$0.2 million, from S\$2.7 million as at 31 December 2023 to S\$2.5 million as at 30 June 2024, due to loan repayments during the period.

As at 30 June 2024, the Group reported net current liabilities of S\$2.1 million and net liabilities of S\$7.7 million.

31 December 2023 vs 31 December 2022

Property, plant and equipment decreased by S\$0.5 million, from S\$6.9 million as at 31 December 2022 to S\$6.4 million as at 31 December 2023, mainly due to depreciation costs charged during the year and foreign currency movements.

Intangible assets decreased by S\$2.1 million, from S\$2.1 million as at 31 December 2022 to S\$Nil as at 31 December 2023, due to the full impairment of goodwill and customer relationships during the year. Right-of-use assets remained relatively constant at S\$0.5 million as at 31 December 2023 and 31 December 2022.

Inventories decreased by S\$0.2 million, from S\$1.0 million as at 31 December 2022 to S\$0.8 million as at 31 December 2023, due to lower orders from one of the Group's subsidiaries.

Trade and other receivables increased by S\$2.1 million, from S\$2.3 million as at 31 December 2022 to S\$4.4 million at 31 December 2023 due to a bridging loan of S\$2.0 million advanced to LSO Organization Holdings

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

Pte. Ltd. pursuant to the terms and conditions of the Proposed Acquisition. Please refer to the July Circular further information on the Proposed Acquisition.

Prepayments and advances increased by S\$0.1 million, from S\$0.2 million as at 31 December 2022 to S\$0.3 million as at 31 December 2023, due to higher advances to vendors in FY2023.

Other liabilities increased by S\$0.3 million, from S\$1.5 million as at 31 December 2022 to S\$1.8 million as at 31 December 2023, due to accrual of payroll related cost.

Current trade and other payables decreased by S\$0.9 million, from S\$6.1 million at 31 December 2022 to S\$5.2 million as at 31 December 2023 mainly due to the reclassification of a corporate shareholder's loans from current liabilities to non-current liabilities.

There was a drawdown of S\$2.5 million redeemable convertible notes in FY2023 as the first tranche of the Proposed RCN Issuance (as defined below), a fund-raising exercise for the Proposed Acquisition. Please refer to the July Circular for further information on the Proposed RCN Issuance and the Proposed Acquisition.

Non-current trade and other payables increased from S\$8.8 million as at 31 December 2022 to S\$10.8 million as at 31 December 2023 mainly due to the reclassification of a corporate shareholder's loans from current liabilities to non-current liabilities.

Total loans and borrowings and bank overdraft decreased by S\$0.2 million, from S\$2.9 million as at 31 December 2022 to S\$2.7 million as at 31 December 2023, due to loan repayments during the year.

As at 31 December 2023, the Group reported net current liabilities of S\$1.5 million and net liabilities of S\$7.2 million.

In addition, the Company had at the July 2024 EGM obtained shareholders' approval for the proposed issuance of 5.0% redeemable convertible notes convertible into new ordinary shares in the capital of the Company with an aggregate principal amount of up to S\$5.0 million ("**Proposed RCN Issuance**"). The Proposed RCN Issuance will enable the Company to strengthen its balance sheet, shore up liquidity, and fund the expansion and diversification of its existing core business by way of, amongst others, acquisitions of other profitable business including but not limited to the Proposed Acquisition, which would enable the Company to further improve its financial performance and position in the near future. As announced on 31 October 2023, the Company drawdown the first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million. On 25 July 2024 and 26 July 2024, the Company allotted and issued an aggregate of 73,275,861 new shares of the Company following conversion of the first tranche of the redeemable convertible notes by the subscribers with an aggregate principal value of S\$1.7 million. In addition, the Company had drawdown the second tranche of the 5% redeemable convertible notes amounting to an aggregate of S\$1.0 million on 30 July 2024. Please refer to the July Circular as well as the Company's announcements dated 20 July 2024, 24 July 2024 and 26 July 2024 for further information on the Proposed RCN Issuance and the Proposed Acquisition.

31 December 2022 vs 31 December 2021

Property, plant and equipment decreased by S\$0.8 million, from S\$7.8 million at 31 December 2021 to S\$7.0 million at 31 December 2022 mainly due to depreciation charged during the year and weaker currency translation.

The decrease in intangible assets from S\$2.5 million at 31 December 2021 to S\$2.1 million at 31 December 2022 is due to disposal of club membership and amortisation of customer relationships.

Right-of-use assets increased from \$0.2 million to S\$0.5 million and lease liabilities increased from S\$0.1 million to S\$0.3 million mainly due to a new hire-purchase lease and office lease renewal during the year.

Trade and other receivables decreased by S\$2.4 million, from S\$4.7 million at 31 December 2021 to S\$2.3 million at 31 December 2022 due to lower sales billings in FY2022.

Current trade and other payables decreased from S\$14.7 million at 31 December 2021 to S\$6.1 million at 31 December 2022 mainly due to settlement of trade payables and consultancy fees previously incurred in

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

FY2021 for a potential acquisition that has since been aborted; and reclassification of existing shareholders' loans from current liabilities to non-current liabilities. Please refer to our announcements dated 13 June 2022 and 8 April 2022 respectively.

Non-current trade and other payables increased from S\$Nil as at 31 December 2021 to S\$8.8 million as at 31 December 2022 due to the non-current portion of an interest-bearing loan amounting to S\$1.5 million arising from the conversion of payroll and related cost and loans due to a shareholder, and non-current portion of amounts due to related parties amounting to \$7.3 million, that are payable after 2023 under a Settlement Agreement and an Addendum to a Loan Agreement announced on 13 June 2022 and 8 April 2022 respectively.

Total loans and borrowings and bank overdraft decreased by S\$0.4 million from S\$3.3 million at 31 December 2021 to S\$2.9 million at 31 December 2022 due to repayments during the year.

As at 31 December 2022, the Group reported net current liabilities of S\$1.5 million and net liabilities of S\$2.7 million.

[the remainder of this page has been intentionally left blank]

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

C. Statement of Cash Flows

The audited consolidated statements of cash flows of the Group for FY2021, FY2022 and FY2023 and the unaudited consolidated statement of cash flow of the Group for 1H2023 and 1H2024 are set out below:

	Audited FY2021 S\$'000	Audited FY2022 S\$'000	Audited FY2023 S\$'000	Unaudited 1H2023 S\$'000	Unaudited 1H2024 S\$'000
Operating activities					
(Loss)/Profit before tax from continuing operations	(175)	284	(3,677)	(1,064)	(298)
Profit before tax from continuing operations	533	-	-	-	-
Profit/(Loss) before tax, total	358	284	(3,677)	(1,064)	(298)
Adjustments for:					
Effect of unrealised exchange gain	(34)	(285)	(365)	(236)	(51)
Depreciation of property, plant and equipment	852	934	810	402	404
Depreciation of right-of-use assets	221	145	138	69	69
Gain on disposal of property, plant and equipment	(43)	(82)	(28)	(3)	(3)
Impairment loss on property, plant and equipment	223	-	-	-	-
Gain on disposal of intangible assets	-	(10)	-	-	-
Amortisation of intangible assets	229	230	230	115	-
Write-back of intangible assets	(56)	-	-	-	-
Impairment of intangible assets	-	-	1,901	-	-
Impairment on other receivables	95	-	-	-	-
Fair value loss on convertible notes	-	-	87	-	-
Allowance for/(Write-back of) trade receivables, net	25	(39)	12	-	-
Write-back of stock obsolescence	(16)	(12)	(2)	(2)	-
Inventory written-down	18	-	-	-	-
Gain on disposal of a subsidiary	(575)	-	-	-	-
Interest income	(1)	(6)	(47)	(15)	(19)
Interest expenses	361	464	838	417	436
Operating cash flows before changes in working capital	1,657	1,623	(103)	(317)	538
Changes in working capital					
- Trade and other receivables and prepayment and advances	(1,458)	2,217	(277)	(526)	(637)
- Inventories	(369)	(79)	152	116	384
- Trade and other payables, contract liabilities and other liabilities	1,134	(1,154)	661	355	214
Cash flows generated from/(used in) operations	964	2,607	433	(372)	499
Interest received	1	6	31	15	19
Income tax paid	(391)	(495)	(218)	(153)	(124)
Net cash flows generated from/(used in) operating activities	574	2,118	246	(510)	394
Investing activities					
Purchase of property, plant and equipment	(1,413)	(521)	(660)	(84)	(511)
Issuance of bridging loan	-	-	(2,000)	-	-
Proceeds from disposal of property, plant and equipment	43	89	71	21	189
Proceeds from disposal of intangible asset	-	130	-	-	-

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

	Audited FY2021 S\$'000	Audited FY2022 S\$'000	Audited FY2023 S\$'000	Unaudited 1H2023 S\$'000	Unaudited 1H2024 S\$'000
Net cash inflow on disposal of a subsidiary	91	-	-	-	-
Net cash flows used in investing activities	(1,279)	(302)	(2,589)	(63)	(322)
Financing activities					
Payment of principal portion of lease liabilities	(406)	(239)	(212)	(20)	(98)
Proceed from convertible loan note	-	-	2,500	-	-
Repayments of bank borrowings	(289)	(1,097)	(1,084)	(537)	(530)
Proceeds from bank borrowings	558	758	908	185	296
Loan from ultimate holding company	1,000	-	-	-	-
Interest paid	(129)	(130)	(144)	(78)	(158)
Net cash flows generated from/(used in) financing activities	734	(708)	1,968	(450)	(490)
Net increase/(decrease) in cash and cash equivalents	29	1,108	(375)	(1,023)	(418)
Effects of exchange rate changes on cash and cash equivalents	21	218	266	192	(32)
Cash and cash equivalents at beginning of the year/period	2,302	2,352	3,678	3,678	3,569
Cash and cash equivalents at end of the year/period	2,352	3,678	3,569	2,847	3,119
Consolidated cash and bank balances represented by					
Cash at bank and on hand	3,151	4,426	4,251	3,557	3,831
Bank overdraft	(799)	(748)	(682)	(710)	(712)
Cash and cash equivalents at end of the year/period	2,352	3,678	3,569	2,847	3,119

Review of cash flow for 1H2024

Net cash generated from operating activities amounted to S\$0.4 million in 1H2024. The Group recorded positive operating cash outflows before working capital changes of S\$0.5 million. The main movements of the cash flows from operating activities in 1H2024 comprised (i) the decrease in inventories of S\$0.4 million; (ii) the increase in trade and other receivables of S\$0.6 million; and (iii) the increase in trade and other payables, contract liabilities and other liabilities of S\$0.2 million. An amount of S\$0.1 million was also utilised for the payments of taxes in 1H2024.

Net cash used in investing activities amounting to S\$0.3 million in 1H2024 were for the purchase of property, plant and equipment net of the proceeds from disposal of property, plant and equipment.

A total of S\$0.5 million was used in financing activities in 1H2024 mainly for repayments (net) of bank borrowings, payment of lease obligations, and payment of interest.

As a result, the Group utilised cash and cash equivalents of S\$0.4 million in 1H2024 and recorded a cash and cash equivalents of S\$3.1 million as at 30 June 2024.

Review of cash flow for FY2023

Net cash generated from operating activities amounted to S\$0.3 million in FY2023. The Group recorded operating cash outflows before working capital changes of S\$0.1 million. The main movements of the cash flows from operating activities in FY2023 comprised (i) the decrease in inventories of S\$0.2 million; (ii) the increase in trade and other receivables and prepayment and advances of S\$0.3 million; and (iii) the increase

APPENDIX C – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

in trade and other payables, contract liabilities and other liabilities of S\$0.7 million. An amount of S\$0.2 million was also utilised for the payment of income tax in FY2023.

Net cash used in investing activities amounting to S\$2.6 million in FY2023 were for the purchase of property, plant and equipment net of the proceeds from disposal of property, plant and equipment amounting to S\$0.6 million and a bridging loan of S\$2.0 million advanced to LSO Organization Holdings Pte. Ltd..

A total of S\$2.0 million was generated from financing activities in FY2023 mainly due to the Company having drawdown the first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million, partially offset by net repayments of bank borrowings and lease obligation of S\$0.4 million and payment of interest of S\$0.1 million.

Cash and cash equivalents amounted to S\$3.6 million as at 31 December 2023 as compared to S\$3.7 million reported as at 31 December 2022.

Review of cash flow for FY2022

Net cash flow of S\$2.0 million was generated from operating activities in FY2022. This included an amount of S\$0.6 million utilised for the payments of interests and taxes.

Net cash flows used in investing activities amounted to S\$0.3 million was mainly due to purchase of property, plant and equipment of S\$0.5 million, offset by proceeds from disposal of property, plant and equipment and intangible assets of S\$0.2 million.

A total of S\$0.6 million was used in financing activities mainly for net repayment of bank borrowings and lease obligations.

Cash and cash equivalents amounted to S\$3.7 million as at 31 December 2022 as compared to S\$2.4 million reported as at 31 December 2021.

Review of cash flow for FY2021

Net cash flows generated from operating activities amounted to S\$0.4 million in FY2021. This included an amount of S\$0.5 million utilised for the payment of interests and taxes.

Net cash flows used in investing activities which amounted to S\$1.3 million was mainly utilised for the purchase of new property, plant and equipments, partially offset by the cash consideration of S\$0.1 million from the disposal of a subsidiary.

Net cash flows generated from financing activities amounted to S\$0.9 million was mainly due to a loan from a related party of S\$1.0 million and partially offset by repayments of bank borrowings.

Cash and cash equivalents amounted to S\$2.4 million as at 31 December 2021.

[the remainder of this page has been intentionally left blank]

NOTICE OF EXTRAORDINARY GENERAL MEETING

ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 198600740M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Advanced Systems Automation Limited (the “**Company**”) will be held at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2 on Friday, 8 November 2024 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution as set out below.

*All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meaning ascribed to them in the circular to the Shareholders of the Company dated 24 October 2024 (“**Circular**”).*

ORDINARY RESOLUTION: PROPOSED RIGHTS CUM WARRANTS ISSUE

RESOLVED THAT:

A renounceable non-underwritten rights cum warrants issue of up to 1,093,521,189 Rights Shares at the Issue Price of S\$0.005 for each Rights Share, with up to 729,014,126 Warrants, each Warrant carrying the right to subscribe for one (1) Warrant Share, at the Exercise Price of S\$0.003 for each Warrant Share, on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders and two (2) Warrants for every three (3) Rights Shares validly subscribed as at the Record Date to be determined by the Directors, fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors or any of them to:

- (a) create, issue and allot:
 - (i) up to 1,093,521,189 Rights Shares with 729,014,126 Warrants at the Issue price of S\$0.005 for each Rights Share with Warrant;
 - (ii) up to 729,014,126 Warrants in registered form, each Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at the Exercise price of S\$0.003 for each Warrant Share at any time during the period commencing on the date of issue of the Warrant and expiring at 5.00 p.m. immediately preceding 24 months from the date of issue, listing and quotation of the Warrants, subject to the terms and conditions of the Deed Poll constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may think fit; and
 - (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided the terms and conditions of the Deed Poll);
- (b) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
 - (i) up to 729,014,126 Warrants Shares on the exercise of the Warrants, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrants Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrants Shares; and
 - (ii) on the same basis as paragraph (b)(i) above, such further Warrants Shares as may be required to be allotted and issued on the exercise for any of the Warrants referred to in paragraph (a)(iii) above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) effect the Rights Cum Warrants Issue on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:
- (i) the provisional allotments of the Rights Shares with Warrants under the Rights Cum Warrants Issue shall be made on renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of CDP as at the Record Date with registered address in Singapore or who have, at least three (3) Market Days prior to the Record Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of three (3) Rights Shares with Warrants for every two (2) existing Shares held by the Shareholders as at the Record Date;
 - (ii) no provisional allotment of Rights Shares with Warrants shall be made in favour of the Foreign Shareholders;
 - (iii) the entitlements to Rights Shares with Warrants which would otherwise accrue to the Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Cum Warrants Issue, may be disposed of, or dealt with, by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotment, relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) will be dealt with in accordance with the terms set out in the Offer Information Statement to be issued by the Company for the Rights Cum Warrants Issue;
 - (iv) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders or Shareholders referred to above in point (c)(iii)) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - (v) fractional entitlements to the Rights Shares with Warrants shall be aggregated and used with the provisional allotment of the Rights Shares with Warrants which are not taken up or allotted for any reason to satisfy excess applications for the Rights Shares with Warrants (if any) or disposed of or otherwise dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company; and
 - (vi) the Rights Shares with Warrants and/or the Warrants Shares when issued and fully paid up will rank *pari passu* in all respect with the then existing Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of the issue of the Rights Shares with Warrants and/or the Warrants Shares; and
- (d) take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary, or expedient for the purposes of giving effect to the Rights Cum Warrants Issue (including fixing the Record Date), with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such the Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Rights Cum Warrants Issue.

By Order of the Board of Directors
of **Advanced Systems Automation Limited**

Theng Searn Por
Company Secretary
Singapore, 24 October 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) **The EGM will be held in a wholly physical format. There will be no option for members to participate in the EGM by electronic means.** Printed copies of this Notice of EGM and the accompanying instrument appointing a proxy or proxies ("**Proxy Form**") and the request form for the Circular will be sent by post to members and published on the Company's corporate website at the URL <http://www.asa.sg/> and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

- (2) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation which each proxy has been appointed shall be specified in the instrument.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

- (3) A member can appoint the Chairman of the meeting as his/her/its proxy, but it is not mandatory. A proxy need not be a member of the Company.
- (4) The instrument appointing a proxy(ies) and/or representative(s) must be submitted to the Company in the following manner:
- (i) if sent by post, be mailed to ADVANCED SYSTEMS AUTOMATION LIMITED, 3014 Ubi Road 1, #02-282, Kampong Ubi Industrial Estate, Singapore 408702; or
 - (ii) if submitted electronically, be sent via email to the Company at general@asa.sg,

in either case, not less than seventy-two (72) hours before the time appointed for holding the EGM.

Notwithstanding the above, the Chairman of the EGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the EGM.

A member who wishes to submit a Proxy Form can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet or the Company's corporate website, which may be accessed at the respective URLs <https://www.sgx.com/securities/company-announcements> and <http://www.asa.sg>, and subsequently, to complete and sign the Proxy Form before submitting it by (a) post to the address provided above, or (b) scanning and sending it to the email address provided above.

Completion and submission of the Proxy Form by a shareholder will not prevent him/her/it from attending, speaking and voting at the EGM if he/she/it so wishes. The appointment of a proxy(ies) for the EGM shall be deemed to be revoked if the member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form, to the EGM.

Please refer to the detailed instructions set out in the Proxy Form.

- (5) Members may raise questions at the EGM or submit questions related to the ordinary resolution to be tabled for approval at the EGM, in advance of the EGM. Members who would like to submit questions in advance of the EGM may do so in the following manner:
- (a) if sent by post, be mailed to ADVANCED SYSTEMS AUTOMATION LIMITED, 3014 Ubi Road 1, #02-282, Kampong Ubi Industrial Estate, Singapore 408702; or
 - (b) if submitted electronically, be sent via email to the Company at general@asa.sg,

in either case, by 3.00 p.m. on 31 October 2024 (the "**Questions Submission Cut-Off Date**").

NOTICE OF EXTRAORDINARY GENERAL MEETING

Members submitting questions are requested to state: (i) their full name; (ii) their identification/registration number; (iii) contact telephone number; (iv) email address; and (v) the manner in which they hold shares (if you hold shares directly, please provide your CDP account number, otherwise, please state if you hold your shares through the CPFIS or the SRS, or a relevant intermediary shareholder), failing which, the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the EGM. The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on the SGXNet and the Company's corporate website at the URL <http://www.asa.sg/> by 3.00 p.m. on 3 November 2024, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolution to be tabled for approval at the EGM) received after the Questions Submission Cut-Off Date which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

- (6) Relevant Intermediaries who wish to attend the EGM, or to appoint proxy(ies) to vote at the EGM should not use the Proxy Form and should instead approach their respective Relevant Intermediaries as soon as possible for the proxy(ies) appointment.

CPF/SRS investors who wish to vote at the EGM may attend the EGM in person physically, or may appoint the Chairman of the Meeting or such other person as their proxy to vote. SRS investors who wish to appoint the Chairman of the Meeting or such other person as their proxy should not use the Proxy Form. Instead, they should approach their respective SRS operators to submit their votes at least seven (7) working days before the EGM, in order to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form for voting on their behalf. SRS investors are requested to contact their respective SRS operators for any queries they may have with regard to the appointment of proxies for the EGM.

Personal Data Privacy

"**Personal data**" in this Notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

PROXY FORM

ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600740M)

PROXY FORM -

EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this form)

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") will be held physically at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2 on Friday, 8 November 2024, 3.00 p.m.. There will be no option for shareholders to participate by electronic means. Printed copies of the Notice of EGM dated 24 October 2024 and this Proxy Form will be sent by post to shareholders.
2. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the EGM.
3. Investors who hold Company's shares through relevant intermediaries (including CPF/SRS investors) who wish to vote should approach their relevant intermediaries (including their respective CPF agent banks/SRS approved banks) to submit their voting instructions at least seven (7) working days before the date of the EGM.
4. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Please read the notes to this Proxy Form.

PERSONAL DATA PRIVACY

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 24 October 2024.

*I/We _____ (Name) _____ (NRIC/Passport No./Co. Regn No.)

of _____ (Address)

being a *member/members of **ADVANCED SYSTEMS AUTOMATION LIMITED** ("Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/them, the Chairman of the Extraordinary General Meeting ("EGM"), as *my/our *proxy/proxies to attend, speak and vote on *my/our behalf at the EGM of the Company to be held at SBF Center, 160 Robinson Road, #06-01, Singapore 068914, Seminar Room 2, on Friday, 8 November 2024, at 3.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the proposed resolutions to be proposed at the EGM as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the resolution, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" for the resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for the resolution, you are directing your proxy, not to vote on the resolution.

Unless otherwise defined, all capitalized terms in the table below shall have the same meaning as ascribed to them in the circular to shareholders of the Company dated 24 October 2024

No.	Resolution relating to	By way of poll		
		For	Against	Abstain
1.	Ordinary Resolution: Proposed Rights Cum Warrants Issue			

Dated this _____ day of _____ 2024

Total Number of Shares held in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
Or Common Seal or Corporate Shareholder

**Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

NOTES TO PROXY FORM:

1. A member of the Company should insert the total number of shares of the Company ("**Shares**") held. If the member has Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members of the Company (maintained by or on behalf of the Company), he/she/it should insert the number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy shall be deemed to relate to all the Shares held by the member of the Company.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxy(ies), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

"**Relevant Intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member can appoint the Chairman of the meeting as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.
 5. This form of proxy, duly executed, must be submitted to the Company in the following manner:
 - (a) if sent by post, be mailed to ADVANCED SYSTEMS AUTOMATION LIMITED, 3014 Ubi Road 1, #02-282, Kampong Ubi Industrial Estate, Singapore 408702; or
 - (b) if submitted electronically, be sent via email to the Company at general@asa.sg,

in either case, not less than seventy-two (72) hours before the time appointed for the EGM.

6. This form of proxy must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where this form of proxy is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.

General:

The Company shall be entitled to reject this form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this form of proxy. In addition, in the case of members whose Shares entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing a proxy(ies) lodged if such members, being the appointor, are not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this form of proxy to attend and vote at the EGM of the Company and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 24 October 2024.