ADVANCED SYSTEMS AUTOMATION LIMITED
(Company Registration No: 198600740M)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF 688,888,886 NEW ORDINARY SHARES IN THE CAPITAL OF ADVANCED SYSTEMS AUTOMATION LIMITED AT A PLACEMENT PRICE OF S$0.0045 PER SHARE (THE "PLACEMENT")

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 2 December 2014 entered into placement agreements (the "**Placement Agreements**") respectively with Dato' Loh Choon Khiang, Mr Loh Choon Piew, Ms Yeo Lay Muay and Mr Low Jinn Yenn (collectively, the "**Placees**"). Pursuant to the Placement Agreements, the Company has agreed to allot and issue an aggregate of 688,888,886 new ordinary shares in the capital of the Company (the "**Placement Shares**" and each a "**Placement Share**") at a placement price of S$0.0045 for each Placement Share (the "**Placement Price**"), for an aggregate consideration of S$3,100,000, and on the terms and conditions of the Placement Agreements. The Placement is non-underwritten and there is no placement agent appointed for the purpose of this Placement.

2. THE PLACEMENT SHARES AND THE PLACEMENT PRICE

2.1 The Placement Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the ordinary shares (the "**Shares**") existing as at the date of issue of the Placement Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Placement Shares.

2.2 The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 29 April 2014.

2.3 The Placement Shares represent approximately 35.4% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement. Assuming the successful allotment and issue of the Placement Shares, the Placement Shares represent approximately 26.1% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company following completion of the Placement.

2.4 The Placement Price of S$0.0045 per Placement Share represents a discount of approximately 10.0% to the weighted average price of S$0.005 for each Share, based on trades done on Catalist of the SGX-ST on 1 December 2014 (being the preceding full market day up to the time the Placement Agreements were signed), as the trading in the Company's shares is not available for a full market day on 2 December 2014.

2.5 The Placement would not result in any transfer of controlling interest in the Company.

Name of controlling shareholder	**Number of shares held by controlling shareholder**	**Percentage shareholding before Placement**	**Percentage shareholding post Placement**
ASTI Holdings Limited	966,798,655	49.6%	36.7%

3. ABOUT THE PLACEES

The information in this section relating to the Placees are based on information provided by and/or representations made by the Placees. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

Name of Placee	**Number of Placement Shares**	**Percentage shareholdings post Placement**	**Details on how the Placee was identified**	**Rationale for the Placee's subscription of the Placement Shares**
Dato' Loh Choon Khiang	255,555,555	9.7%	Nephew of Dato' Michael Loh Soon Gnee, CEO of the Company	For investment purposes
Mr Loh Choon Piew	255,555,555	9.7%	Nephew of Dato' Michael Loh Soon Gnee, CEO of the Company	For investment purposes
Ms Yeo Lay Muay	88,888,888	3.4%	Introduced by Mr Loh Choon Piew	For investment purposes
Mr Low Jinn Yenn	88,888,888	3.4%	Introduced by Dato' Loh Choon Khiang	For investment purposes

Dato' Loh Choon Khiang and Mr Loh Choon Piew are both nephews of Dato' Michael Loh Soon Gnee, the Company's CEO. Dato' Loh Choon Khiang and Mr Loh Choon Piew were the former shareholders and Managing Director and Operations Director respectively of Coraza Systems Malaysia Sdn Bhd, which provided high precision sheet metal fabrication services. After Dato' Loh Choon Khiang and Mr Loh Choon Piew sold their shares in Coraza Systems Malaysia Sdn Bhd, they approached Dato' Michael Loh Soon Gnee requesting to join the Company because of the synergy between the Company's operations and their prior experience. Dato' Loh Choon Khiang and Mr Loh Choon Piew also agreed to invest in the Company as further indication of their commitment to the Company. As at the date of this announcement, Dato' Loh Choon Kiang and Mr Loh Choon Piew have not joined the Company.

Both Ms Yeo Lay Muay and Mr Low Jinn Yenn are personal friends of Mr Loh Choon Piew and Dato' Loh Choon Khiang respectively. Dato' Loh Choon Khiang and Mr Loh Choon Piew invited them to participate in the Placement but will not be paid any commission for such an arrangement.

The Placees do not fall into the categories as specified in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"). No commission or any other additional payment will be made in relation to the Placement. As at the date of this announcement, the Placees do not hold any Shares in the Company.

To the best of the Company's knowledge, there is no agreement, arrangement or understanding between the Placees or any other Placee or shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Placees are not parties acting in concert with any other Placee or shareholder of the Company, as defined in The Singapore Code on Take-Overs and Mergers.

4. CONDITIONS OF THE PLACEMENT

The Placement is conditional upon, *inter alia*, the following:

(a) the receipt by the Company of the listing and quotation notice ("**LQN**") from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist in accordance with the terms of the Placement Agreements and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any condition for the listing of and quotation for the Placement Shares on Catalist are required to be fulfilled on or before the Completion Date (as defined in the Placement Agreements), they are so fulfilled;

(b) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company;

(c) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in Clause 5 of the Placement Agreements as if they were repeated on and as of the Completion Date; and

(d) the approval by the Board being obtained for the issuance of the Placement Shares pursuant to the Placement Agreements and all transactions contemplated under the Placement Agreements.

5. PURPOSE AND USE OF PROCEEDS

Assuming that all the Placement Shares are successfully allotted and issued, the estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S$3,090,000 (after deducting expenses of approximately S$10,000 incurred by the Company in connection with the Placement).

The Company intends to use the Net Proceeds for general working capital purposes, such as, *inter-alia*, payment for the purchase of materials, subcontract costs, general overheads, staff costs, and other operating expenses of the Group.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report.

6. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

7. ADDITIONAL LISTING CONFIRMATION

7.1 The Sponsor of the Company, Canaccord Genuity Singapore Pte. Ltd., will be submitting an additional listing confirmation to the SGX-ST on behalf of the Company for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST.

7.2 The Company will make the necessary announcement upon receipt of the LQN.

8. CONFIRMATION

The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cashflows and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements.

The Directors are of the opinion that, after taking into consideration, the Group's present internal resources, operating cashflows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors believe that the Net Proceeds will further supplement the working capital of the Group.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors nor (in so far as the Directors are aware) any substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the Placement.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

11. CAUTIONARY STATEMENT

Shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board
Dato' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
Advanced Automation Systems Limited
2 December 2014