ADVANCED SYSTEMS AUTOMATION LIMITED

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

REALLOCATION AND UPDATE ON USE OF PROCEEDS FROM RIGHTS ISSUE

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*Unless otherwise defined, all terms and references used herein shall bear the same meanings as ascribed to them in the Offer Information Statement (the "**OIS**") dated 22 May 2017 by Advanced Systems Automation Limited (the "**Company**") in relation to the Rights Issue*.

The Board refers to the OIS in relation to the Company's rights issue exercise completed on 12 June 2017, in relation to which Rights Shares were allotted and issued on 14 June 2017, and listed and quoted on Catalist on 15 June 2017. The Company raised S$11,868,095 from the Rights Issue, of which S$4,350,594 was set-off against amounts owing from ASTI. The Board wishes to announce a change in the use and allocation of the net proceeds from the Rights Issue of approximately S$7,517,000 (the "**Net Proceeds**"), and provide an update on the use of Net Proceeds.

1. REALLOCATION OF NET PROCEEDS

The Company has reallocated approximately i. S$1.02 million of the Net Proceeds initially allocated for the acquisition of plant and equipment; ii. S$1.00 million initially allocated for repayment of the ASTI Shareholder Loan; and iii. S$0.01 million initially allocated for expenses incurred in connection to Rights Issue to general working purposes. (the "**Reallocations**").

After a review of the Group's cash flow, the Board is of the view that the Reallocations would be in the best interests of the Company and its shareholders as this will help to strengthen the Group's working capital position.

Subsequent to the Reallocations, the status of the use of the Net Proceeds as at the date of this announcement is as follows:

Intended usage in accordance with the OIS	**Amount allocated S$'000**	**Amount reallocated S$'000**	**Revised allocation S$'000**	**Amount utilised as of 30 September 2017 S$'000**	**Amount unutilised S$'000**
General working capital	3,987	2,038	6,025	(4,698)	1,327
Acquisition of plant and equipment	2,000	(1,024)	976	(618)	358
Payment for expenses incurred in connection with the Rights Issue	530	(14)	516	(507)	9
Repay partially the amount of the ASTI Shareholder Loan outstanding after the set-off of ASTI's subscription monies for its *pro rata* entitlement to Rights Shares	1,000	(1,000)	-	-	-
Total	**7,517**	**-**	**7,517**	**(5,823)**	**1,694**

2. UPDATE ON USE OF NET PROCEEDS

Please refer to the table above for details on the utilisation of the Net Proceeds. As at 30 September 2017, the Company has utilised S$4.7 million of the Net Proceeds for general working capital purposes. The breakdown of such use is set out as follows.

	Breakdown of general working capital usage	**S$'000**
1)	Payments to trade creditors	3,508
2)	Payroll costs	634
3)	Consultancy fees	162
4)	Utility expenses	66
5)	Travelling expenses	113
6)	Directors' fees	132
7)	Others	83
	Total	**4,698**

The Company will make further announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in its annual report.

BY ORDER OF THE BOARD

DATO' MICHAEL LOH SOON GNEE
Executive Chairman and CEO
Advanced Systems Automation Limited
14 November 2017

*This Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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 SGXST assumes no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made, or reports contained in this Announcement.

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