

## **ASJ HOLDING LIMITED**

Company Registration No. 199601740N

### **PROPOSED ISSUE OF UP TO 13,574,952 ORDINARY SHARES BY ASJ HOLDINGS LIMITED TO EXECUTIVE DIRECTORS**

The Board of Directors of ASJ Holdings Limited (the “**Company**”) wishes to announce that the Company is proposing to issue up to 13,574,952 ordinary shares (the “**Directors Shares**”) in the capital of the Company to Mr Tan Chin Leong and Mr Seah Eng Lam, the Chief Executive Officer and the Chief Operating Officer of the Company (the “**Executive Directors**”), respectively, at an issue price of S\$0.147 per Directors Share. This represents a premium of approximately 33.6% of the average weighted trading price of the Company’s shares on 25 September 2009 (being the market day preceding the date of this announcement). The issue price was arrived at based on the net asset value of the Company as at 31 December 2008.

#### **Rationale**

Reference is made to the circular dated 5 December 2007 issued by the Company to Shareholders relating to the acquisition of the entire share capital of CRL Components (S) Pte Ltd. Pursuant to the sale and purchase agreement relating to such acquisition entered into by the Company and the Executive Directors, the consideration for the CRL Acquisition was S\$9,300,000, of which S\$500,000 was payable on completion of the acquisition and the balance would be payable within nine months thereafter.

Due to the adverse market and economic conditions, the Executive Directors had agreed to the postponement of the payment of the amounts owing to them pursuant to the CRL Acquisition. To date, the Company owes an aggregate outstanding balance of S\$4,645,518 to the Executive Directors.

If approval is obtained from Shareholders for the issue of the Directors Shares, upon the issue of the Directors Shares, the aggregate amount owing by the Company to the Executive Directors will be reduced to S\$2,650,000, as the consideration for the Directors Shares will be satisfied by the capitalisation of amounts owing by the Company to the Executive Directors. It is intended for the balance amount of S\$2,650,000 to be funded partly from the proceeds of a rights issue which the Company intends to propose and partly from the Group’s internal resources.

#### **Shareholders’ Approval**

The issue of the Directors Shares is subject to, *inter alia*:

- a. the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Directors’ Share on the Official List of the SGX-ST having been obtained;

- b. the approval of Shareholders for the issue of the Directors Shares at an extraordinary general meeting (“EGM”) of the Company to be convened.

The Executive Directors will abstain, and will undertake to ensure that their associates will abstain, from voting in respect of the ordinary resolutions relating to the issue of the Directors Shares.

**Statement from the Audit Committee**

The Audit Committee has reviewed the terms of the issue of the Directors Shares is of the view that the terms of the issue of the Directors Shares are on normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.

**Value of Interested Person Transactions**

For the purpose of Rule 904(4) of the SGX-ST Listing Rules, the Executive Directors are considered an interested person, and the proposed issue of the Directors Shares is an interested person transaction.

This announcement is made in accordance with Rule 905(1) of the SGX-ST Listing Rules, as the value of the interested person transaction is equal to or exceeds 3% of the latest audited consolidated net tangible assets of the Group.

The proportion of the Directors Shares proposed to be issued to the Executive Directors is as follows:

- 6,085,698 shares are to be issued to Mr Tan Chin Leong;
- 7,489,254 shares are to issued to Mr Seah Eng Lam.

Based on the Group’s latest audited accounts as at 31 December 2008, the net tangible asset (“NTA”) of the Group is approximately S\$22.3 million. Accordingly, the proposed issue of the Directors Shares to Mr Tan Chin Leong and Mr Seah Eng Lam would represent 4.0% and 4.9% respectively, of the latest audited NTA of the Group.

As at the date of this announcement (i) there have not been any transactions which have been entered into between any members of the Group and each of the Executive Directors during the financial year ending 31 December 2009 and (ii) the current total of all interested person transactions entered into during the financial year ending 31 December 2009 is as follows:

<b>Interested Person</b>	<b>Nature of Transaction</b>	<b>Value of transaction</b>
Astrotec Electronics Pte Ltd*	Trading of passive components	Approximately US\$20,000

Note (\*) – 100% of the share capital of Astrotec Electronics Pte Ltd is held by Mr Tan Chin Leong's brothers, accordingly Astrotec Electronics Pte Ltd is deemed to be an "interested person" pursuant to the SGX-ST Listing Manual.

A circular containing, *inter alia*, the proposed resolutions relating to the issue of the Directors Shares and notice of EGM will be despatched to Shareholders in due course.