

ASJ HOLDING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199601740N)

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM
WARRANTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE WITH ONE
(1) FREE DETACHABLE WARRANT FOR EVERY FOUR (4) EXISTING
ORDINARY SHARES**

1. INTRODUCTION

- (a) The Board of Directors (the “**Directors**”) of ASJ Holdings Limited (the “**Company**”) wishes to announce that the Company is proposing a renounceable non-underwritten rights issue (the “**Rights cum Warrants Issue**”) of up to 48,497,408 new ordinary shares (the “**Rights Shares**”) in the issued and paid up capital of the Company at an issue price of S\$0.04 for each Rights Share (the “**Issue Price**”), with up to 48,497,408 free detachable warrants (the “**Warrants**”) each Warrant carrying the right to subscribe for one (1) new ordinary share (“**New Share**”) at an exercise price of S\$0.04 (the “**Exercise Price**”) for each New Share, on the basis of one (1) Rights Share with one (1) free Warrant for every four (4) existing ordinary shares in the capital of the Company (the “**Shares**”), fractional entitlements to be disregarded, held by shareholders of the Company (the “**Shareholders**”) as at a date and time (the “**Books Closure Date**”) to be determined by the Directors.
- (b) The issue of the Rights Shares and the Warrants is proposed to be made pursuant to the authority granted by the share issue mandate approved by the shareholders of the Company at the Company’s annual general meeting held on 30 April 2009 (the “**Share Issue Mandate**”). The Share Issue Mandate authorised, *inter alia*, the issue of Shares or convertible securities in the Company (whether by way of rights, bonus or otherwise) on a pro-rata basis to shareholders of the Company by way of a renounceable issue, provided that the aggregate number of shares to be issued pursuant to such authority does not exceed one hundred per cent (100%) of the issued capital of the Company at 30 April 2009, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the issued share capital of the Company at 30 April 2009. **Accordingly, the Company will not be convening a separate extraordinary general meeting to seek specific approval from Shareholders for the undertaking of the Rights cum Warrants Issue.**
- (c) The Company has appointed DMG & Partners Securities Pte Ltd as the manager of the Rights cum Warrants Issue.

- (d) An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for the listing and quotation of the Rights Shares and the Warrants on the Official List of the SGX-ST.

2. **PRINCIPAL TERMS OF RIGHTS CUM WARRANTS ISSUE**

- (a) The Rights cum Warrants Issue is proposed to be made on a renounceable basis of one (1) Rights Share with one (1) free detachable Warrant for every four (4) Shares held as at the Books Closure Date, fractional entitlements to be disregarded. The Warrants will be issued free with the Rights Shares that are subscribed for. Fractional entitlements to the Rights Shares with Warrants will be disregarded and will, together with the provisional allotments which are not taken up for any reason, be aggregated and allotted to satisfy excess applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of the excess Rights Shares with Warrants, preference will be given to Shareholders for rounding of odd lots, and Directors and substantial Shareholders will rank last in priority.
- (b) The Rights Shares with Warrants are to be provisionally allotted to Shareholders with registered addresses in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to such date, provided the Company or The Central Depository (Pte) Limited (the “**CDP**”) (as the case may be) with addresses in Singapore for the purpose of service of notices and documents (“**Singapore Registered Shareholders**”).
- (c) Singapore Registered Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of the Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.
- (d) For practical reasons and in order to avoid any violation of relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will **NOT** be offered to Shareholders with registered addresses outside Singapore who have not, at least three (3) market days prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants commence and the net proceeds arising therefrom will be dealt with in accordance with terms and conditions which will be set out in the Offer Information Statement to be issued pursuant to the Rights cum Warrants Issue (the “**OIS**”).

- (e) The Rights Shares with Warrants will be payable in full upon acceptance and/or application and, upon allotment and issue, will rank *pari passu* in all respects with the Shares then in issue save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.
- (f) The Warrants to be issued free with the Rights Shares subscribed for will be constituted by a deed poll (the “**Deed Poll**”) and will be in registered form. The Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on the SGX-ST upon the listing and quotation of the Warrants on the SGX-ST. Each Warrant will, subject to the terms and conditions set out in the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price during the exercise period, which shall be from and including the date of issue of the Warrants up to 5.00 p.m. on the date immediately preceding the second anniversary of the date of issue of the Warrants. The New Shares will rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the relevant exercise date of the Warrant.
- (g) The proposed Issue Price and Exercise Price of S\$0.04 for each Rights Share and New Share respectively, represents a discount of approximately 57.89% to the last transacted price preceding this announcement of S\$0.095 per Share on the SGX-ST on 23 November 2009.
- (h) Based on the issued share capital comprising 180,414,682 shares of the Company as at the date of this announcement and, assuming the proposed issue of the Directors Shares of 13,574,952 ordinary shares as referred to in the circular to Shareholders dated 23 November 2009 are issued, up to 48,497,408 Rights Shares with 48,497,408 Warrants will be issued pursuant to the Rights cum Warrants Issue, assuming that the Rights cum Warrants Issue is fully subscribed.
- (i) The terms and conditions of the Rights cum Warrants Issue may be subject to such changes as the Directors deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the OIS to be issued by the Company.

3. UNDERTAKINGS

- (a) As at the date of this announcement, Mr Chen Tie-Min, Mr Chia Soon Loi, Mr Tan Chin Leong and Mr Seah Eng Lam hold an indirect interest of 48,710,172 Shares, 18,130,262 Shares, and direct interest of 3,728,613 Shares and 3,266,667 Shares respectively, representing approximately 27.0%, 10.0%, 2.1% and 1.8% respectively of the issued share capital of the Company. Mr Chen Tie-Min’s indirect interests comprise shares held by Citibank Nominees Singapore Pte Ltd as his and his wife’s nominee. Mr Chia Soon Loi’s indirect interests comprise

shares held by HSBC (Singapore) Nominees Pte Ltd, HL Bank Nominees (Singapore) Pte Ltd and Hong Leong Finance Nominees Pte Ltd as his nominees.

- (b) To show their support for the Rights cum Warrants Issue and to demonstrate their commitment to and confidence in the prospects of the Company, each of Mr Chen Tie-Min, Mr Chia Soon Loi, Mr Tan Chin Leong and Mr Seah Eng Lam have irrevocably undertaken (i) to subscribe and/or procure subscription for their respective Rights Shares with Warrants entitlements under the Rights cum Warrants Issue and (ii) in respect of Mr Chen Tie-Min, Mr Chia Soon Loi and Mr Seah Eng Lam, to subscribe and/or procure subscription for up to 8,881,581 each of all Rights Shares with Warrants by way of application for excess Rights Shares with Warrants which are not subscribed or otherwise taken up and/or applied for by the other Shareholders on the basis that each of them will rank last in priority in the allotment of excess Rights Shares with Warrants which are not taken up by the other Shareholders (collectively, the “**Undertakings**”).
- (c) In view of the Undertakings, the Rights cum Warrants Issue will not be underwritten by any financial institution.
- (d) Each of Mr Chen Tie-Min, Mr Chia Soon Loi, Mr Tan Chin Leong and Mr Seah Eng Lam will procure confirmations from their relevant financial institutions that they have sufficient financial resources to fulfil their obligations pursuant to the Undertakings.
- (e) The minimum proceeds raised (based on the Undertakings) will be sufficient to meet the Company’s present funding requirements.

4 RATIONALE AND USE OF PROCEEDS

Assuming that the Rights cum Warrants Issue is fully subscribed but none of the Warrants are exercised, the estimated net proceeds of the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.21 million, will amount to approximately S\$1.73 million (the “**Rights Issue Net Proceeds**”). The Company intends to allocate the entire Rights Issue Net Proceeds towards financing part of the acquisition of CRL Components (S) Pte Ltd, which was completed on 21 December 2007 (the “**Acquisition**”). Details of the Acquisition have been made available to Shareholders in announcements released on SGXNET on 2 August 2007 and 3 August 2007 and in a circular issued to Shareholders dated 5 December 2007.

As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards repayment of the Group’s borrowings, investment purposes, working capital and/or such other purposes as the Directors may deem fit.

Pending the deployment of net proceeds from the Rights cum Warrants Issue, 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 purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

5. APPROVALS

The Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the Warrants and the New Shares on the Official List of the SGX-ST having been obtained; and
- (b) the lodgment of the Offer Information Statement with the Monetary Authority of Singapore.

An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of Rights Shares, the Warrants and the New Shares on the Official List of the SGX-ST in due course.

The Offer Information Statement will be lodged with the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course after approval in principle of the SGX-ST has been obtained.

6. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.