




* Asterisks denote mandatory information

Name of Announcer *	ASTI HOLDINGS LIMITED
Company Registration No.	199901514C
Announcement submitted on behalf of	ASTI HOLDINGS LIMITED
Announcement is submitted with respect to *	ASTI HOLDINGS LIMITED
Announcement is submitted by *	Dato' Michael Loh Soon Gnee
Designation *	Executive Chairman
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Proposed Renounceable Non-underwritten Rights Issue
Specific shareholder's approval required? *	No
Description	Please refer to the attachment.
Attachments	 ASTI_Proposed_Rights_Issue.pdf Total size = 136K (2048K size limit recommended)



ASTI Holdings Limited
(Company Registration No. 199901514C)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 110,046,714 NEW ORDINARY SHARES (THE "RIGHTS SHARES") IN THE ISSUED AND PAID-UP SHARE CAPITAL OF ASTI HOLDINGS LIMITED (THE "COMPANY") AT AN ISSUE PRICE OF S\$0.05 FOR EACH RIGHTS SHARE (THE "ISSUE PRICE"), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING SHARES IN THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE TO BE DECIDED LATER, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED RIGHTS ISSUE")

I. INTRODUCTION

- 1.1 The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to announce that the Company is proposing a renounceable non-underwritten rights issue of up to 110,046,714 new ordinary shares in the issued and paid-up share capital of the Company at an issue price of S\$0.05 for each Rights Share, on the basis of one (1) Rights Share for every five (5) existing ordinary shares in the issued and paid-up share capital of the Company ("**Shares**") held by Entitled Shareholders (as defined in paragraph 2.5 below) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.
- 1.2 The Proposed Rights Issue is made pursuant to the general mandate given by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 27 April 2012 authorising the Company to issue shares on a *pro-rata* basis to existing Shareholders of up to 50% of the issued shares (excluding treasury shares and after adjusting for changes in the share capital pursuant to certain corporate actions) in the capital of the Company at the time of passing of the resolution.
- 1.3 The Company has appointed DMG & Partners Securities Pte Ltd ("**DMG**") as the manager for the Proposed Rights Issue (the "**Manager**").
- 1.4 As at the date of this announcement, Dato' Michael Loh Soon Gnee ("**Dato' Michael**"), a controlling shareholder and the executive chairman of the Company, has an aggregate interest of 108,508,000 Shares ("**Dato' Michael's Existing Shares**") representing approximately 19.9% in the issued and paid-up share capital of the Company, which comprises 545,609,572 Shares excluding treasury shares ("**Company's Existing Share Capital**"). Accordingly, Dato' Michael will be entitled to subscribe for up to 21,701,600 Rights Shares. To demonstrate his support for the Proposed Rights Issue and his commitment to and confidence in the Company, Dato' Michael has on 9 May 2012 irrevocably undertaken (the "**Shareholder's Undertaking**") to the Company that, *inter alia*:-
- (a) he will subscribe for his full entitlement of 21,701,600 Rights Shares (the "**Undertaking Shares**") under the Proposed Rights Issue not later than the latest date and time for acceptance and payment for the Rights Shares under the Proposed Rights Issue ("**Closing Date**");

- (b) he will make full payment of approximately S\$1.1 million for all the Undertaking Shares subscribed for by him as aforesaid in accordance with the Company's instructions to be issued to him on or before the Closing Date or otherwise in accordance with the terms of the Proposed Rights Issue; and
 - (c) during the period commencing from 9 May 2012, being the date of the Shareholder's Undertaking, until the issue and listing on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") of the Rights Shares, he will not sell, transfer or otherwise dispose of any of, or any interests in the Dato' Michael's Existing Shares, and will procure that such sales, transfers or disposals are not carried out or to otherwise create any encumbrances (including, but not limited to, pledging of the Dato' Michael's Existing Shares for financing) over the Dato' Michael's Existing Shares.
- 1.5 In view of the abovementioned Shareholder's Undertaking by Dato' Michael, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis.
- 1.6 As a confirmation that Dato' Michael has the necessary financial resources to make the full cash payment of S\$1.1 million for the subscription of the Undertaking Shares, Dato' Michael had advanced S\$2.0 million (the "**Advanced Consideration**") to the Company on 9 May 2012 in accordance with the terms and conditions of an advance agreement entered into between the Company and Dato' Michael on 4 May 2012 (the "**Advance Agreement**"). Pursuant to the terms and conditions of the Advance Agreement, approximately S\$1.1 million of the Advanced Consideration will be applied towards his subscription for the Undertaking Shares and the Company shall repay the Advanced Consideration to Dato' Michael in the event the Proposed Rights Issue is aborted or terminated for any reason whatsoever within three (3) business days upon written notice given by Dato' Michael to the Company without any interest or benefit arising therefrom.

2. **PRINCIPAL TERMS OF THE PROPOSED RIGHTS ISSUE**

- 2.1 The Company is proposing to issue up to 110,046,714 Rights Shares in order to raise net proceeds of up to approximately S\$5.3 million from the Proposed Rights Issue.
- 2.2 The Proposed Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders (as defined herein) on the basis of one (1) Rights Share for every five (5) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.3 The Issue Price of S\$0.05 for each Rights Share represents a discount of:-
- (a) approximately 26.5% to the closing price of S\$0.068 per Share on the SGX-ST on 11 May 2012, being the last trading day prior to the date of this announcement; and
 - (b) approximately 23.1% to the theoretical ex-rights price of S\$0.065 per Share⁽¹⁾.

Note:

- (1) The theoretical ex-rights price per Share is equal to (i) the sum of (a) the market capitalisation of the Company based on the closing price of S\$0.068 per Share on the SGX-ST on 11 May 2012; and (b) the gross proceeds of the Proposed Rights Issue, divided by (ii) the total number of Shares in issue following the completion of the Proposed Rights Issue, under the Maximum Subscription Scenario (as defined in paragraph 3.2 below).
- 2.4 The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of allotment and issue of the Rights Shares.
- 2.5 The Proposed Rights Issue is proposed to be offered to Shareholders whose registered addresses with the Company's share registrar or The Central Depository (Pte) Limited (the "**CDP**") as the

case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) days on which the SGX-ST is open for securities trading (a "**Market Day**") prior to the Books Closure Date, provided to the Company's share registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**"). The Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the offer information statement to be issued by the Company in connection with the Proposed Rights Issue (the "**OIS**") together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

- 2.6 Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Main Board of the SGX-ST to be announced by the Company in compliance with the rules of the SGX-ST Listing Manual.
- 2.7 Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.
- 2.8 Fractional entitlements to any Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications (if any) or disposed of or otherwise dealt with in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company.
- 2.9 In the allotment of excess Rights Shares, preference will be given to the Shareholders for the rounding of odd lots, and substantial Shareholders who have an interest directly or indirectly in 5% or more of total number of issued Shares of the Company (the "**Substantial Shareholders**") and Directors will rank last in priority.
- 2.10 For practical reasons and in order to avoid any violation of relevant legislation applicable in countries other than Singapore, the Proposed Rights Issue shall only be made in Singapore and the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided to the Company's share registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the OIS and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.
- 2.11 The OIS and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the "**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.
- 2.12 If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares, 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 commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post without interest or any share of revenue or other benefit arising therefrom, provided that where the

amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, DMG, CDP, the Central Provident Fund Board ("**CPF Board**") or the Company's share registrar in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, DMG, CDP, CPF Board or the Company's share registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of the Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, DMG, CDP, CPF Board or the Company's share registrar in connection therewith. Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

- 2.13 The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the OIS to be despatched by the Company to Entitled Shareholders in due course.

3. PURPOSE OF THE PROPOSED RIGHTS ISSUE AND THE USE OF PROCEEDS

- 3.1 The Company is proposing to undertake the Proposed Rights Issue to strengthen the capital base of the Company. With a stronger capital base and an improved working capital position, the Company would be able to capitalize on strategic growth opportunities in the semiconductor equipment and manufacturing services businesses, thereby allowing the Company greater financial flexibility to meet future working capital needs

3.2 Maximum Subscription Scenario

As at the date of this announcement, the Company has in issue 545,609,572 Shares (excluding treasury shares) and 4,624,000 outstanding exercisable options ("**Options**") granted under the employee share option scheme of the Company ("**ESOS**").

This scenario assumes that:-

- i. all 4,624,000 Options granted under the ESOS are fully exercised into Shares prior to the Books Closure Date; and
- ii. all Shareholders (including Dato' Michael and those employees who receive their Shares pursuant to the exercise of the aforesaid Options) subscribe for their entitlements to the Rights Shares as at Book Closure Date pursuant to the Proposed Rights Issue in full,

("the **Maximum Subscription Scenario**").

In the Maximum Subscription Scenario, based on 110,046,714 Rights Shares to be issued, the net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$250,000 is expected to be approximately S\$5.3 million (the "**Maximum Rights Proceeds**").

Minimum Subscription Scenario

This scenario assumes that:-

- i. only Dato' Michael subscribes for the Undertaking Shares pursuant to the Proposed Rights Issue in accordance with the Shareholder's Undertaking; and
- ii. none of the other Shareholders subscribe for any of their entitlements to the Rights Shares pursuant to the Proposed Rights Issue,

(the "**Minimum Subscription Scenario**").

In the Minimum Subscription Scenario, based on 21,701,600 Rights Shares to be issued, the net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$250,000 is expected to be approximately S\$835,000 (the "**Minimum Rights Proceeds**").

The Company intends to use the net proceeds raised from the Proposed Rights Issue for working capital purposes.

In the opinion of the Directors, no minimum amount must be raised by the Proposed Rights Issue.

- 3.3 Pending the deployment of the net proceeds from the Proposed Rights Issue, such net proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company. The Company will make periodic announcements on the utilisation of such proceeds from the Proposed Rights Issue as funds are materially disbursed and provide a status report on the use of the proceeds in the Company's annual report.

4. CONDITIONS TO THE PROPOSED RIGHTS ISSUE

- 4.1 The Proposed Rights Issue is conditional upon, *inter alia*, the following:-
- (a) the approval-in-principle for the dealing in, and for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST being obtained and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue; and
 - (b) the lodgment of the OIS with the Monetary Authority of Singapore ("**MAS**").
- 4.2 Application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST and an appropriate announcement on the result of the application will be made in due course. The Proposed Rights Issue will also be subject to the conditions (if any) of the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

ANYONE WHO WISHES TO INVEST OR TRADE IN THE SHARES OF THE COMPANY SHOULD EXERCISE DUE CAUTION AND NOTE THAT THERE IS NO ASSURANCE THAT THE PROPOSED RIGHTS ISSUE WILL PROCEED AS IT IS SUBJECT TO A NUMBER OF CONDITIONS TO BE FULFILLED, AMONGST OTHERS, THE LIST OF CONDITIONS AS STATED IN THE PARAGRAPHS ABOVE.

5. OIS

The OIS will be lodged with the MAS and despatched by the Company to the Entitled Shareholders in due course.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 As at the latest practicable date prior to the date of this announcement, the interests of the Directors and the Substantial Shareholders of the Company in the share issued and paid-up share capital of ASTI are as follows:-

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Michael	51,508,000	9.44	57,000,000 ⁽²⁾	10.45	108,508,000	19.89
Charles Cher Lew Siang	8,708,969	1.60	-	-	8,708,969	1.60
Timothy Lim Boon Liat	-	-	99,000 ⁽³⁾	0.02	99,000	0.02
Fong Wai Leong	-	-	-	-	-	-
Peter Lai Hock Meng	-	-	-	-	-	-
Dr. Kriengsak Chareonwongsak	-	-	-	-	-	-
Mandie Chong Man Sui	114,000	0.02	-	-	114,000	0.02
Substantial Shareholders						
Dato' Michael	51,508,000	9.44	57,000,000 ⁽²⁾	10.45	108,508,000	19.89
Heah Theare Haw	-	-	34,570,000 ⁽²⁾	6.34	34,570,000	6.34

Notes:-

(1) Based on 545,609,572 Shares, excluding treasury shares, as at the date of the announcement.

(2) Shares held through nominees.

(3) Shares held in the name of spouse.

6.2 Save for:-

- (i) the Shareholder's Undertaking as mentioned in paragraph 1.4 above; and
- (ii) the interests of the Directors and Substantial Shareholders of the Company in the Shares as disclosed under section 6.1 above,

none of the Directors or Substantial Shareholders of the Company have any direct or indirect interests in the Proposed Rights Issue.

7. 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 insofar as it relates to the Company and to the Proposed Rights Issue are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman
ASTI Holdings Limited
14 May 2012