

Asset Acquisitions and Disposals::PROPOSED DISPOSAL OF 64,316,470 ISSUED AND PAID UP ORDINARY SHARES OF APSI PTE. LTD.

Issuer & Securities

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Announcement Details

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Submitted By (Co./ Ind. Name)	DATO MICHAEL LOH SOON GNEE
Designation	EXECUTIVE CHAIRMAN & GROUP CEO
Description (Please provide a detailed description of the event in the box below)	The board of directors of ASTI Holdings Limited wishes to announce that the Company had on 29 December 2014, together with other vendors entered into a conditional sale and purchase agreement with J C Investment Pte Ltd for the proposed disposal by the Company of its entire shareholding interest of 64,316,470 ordinary shares in the share capital of APSI Pte. Ltd. together with its subsidiary effected via the disposal of the Sale Shares for a sum of S\$8,904,769, equivalent to approximately S\$0.1385 per Sale Share.
Attachments	 ASTI Announcement Major Disposal.pdf Total size =72K



ANNOUNCEMENT

THE PROPOSED DISPOSAL OF 64,316,470 ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF APSI PTE. LTD.

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of ASTI Holdings Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company had on 29 December 2014, together with other vendors (the "**Non-ASTI Vendors**") entered into a conditional sale and purchase agreement (the "**SPA**") with J C Investment Pte Ltd (the "**Purchaser**") (together with the Company and Non-ASTI Vendors, the "**Parties**") for the proposed disposal (the "**Proposed Disposal**") by the Company of its entire shareholding interest of 64,316,470 ordinary shares in the share capital of APSI Pte. Ltd. ("**APSI**" and together with its subsidiary, the "**APSI Group**") (the "**Sale Shares**").
- 1.2 The Proposed Disposal will be effected via the disposal of the Sale Shares for a sum of S\$8,904,769, equivalent to approximately S\$0.1385 per Sale Share. Notwithstanding the Group having had an equity interest of 24.23% in APSI, the management of the Group has not accounted for APSI as an associate of the Group as the Group does not have significant influence in the business operations and directions of APSI. The completion date of the Proposed Disposal (the "**Completion Date**") shall be 27 February 2015, or the business day falling 5 business days after the fulfilment (or, as the case may be, waiver by the Purchaser) of the last of the conditions precedent set out in the SPA, whichever is earlier, or such earlier date as the Parties may otherwise agree, or such other date as may be mutually agreed by the Parties pursuant to the SPA in relation to the Proposed Disposal (the "**Completion**").
- 1.3 As the figure computed under Rule 1006(c) of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") exceeds 20%, the Proposed Disposal is considered a major transaction under Chapter 10 of the Listing Manual. Please see paragraph 2.6.2 below for further details on the computation of the relative figures under Rule 1006 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting (the "**EGM**") of the Shareholders to be convened. A circular will be despatched to the Shareholders in due course.

2. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION

2.1 Information on the Group

APSI is a private company limited by shares incorporated in Singapore on 17 December 1996 and having its registered office at 21 Kallang Avenue, #02-167, Singapore 339412. As at the date of this announcement, APSI has an issued and paid-up share capital of S\$29,940,433.30 comprising 265,389,422 ordinary shares. The APSI Group comprises APSI and its wholly-owned subsidiary, Advanpack Solutions Pte Ltd. Jiangyin Changdian Advanced Packaging Co. Ltd is an associated company of APSI.

The APSI Group is an integrated circuit packaging technology solutions provider for the global semiconductor industry. It owns a portfolio of intellectual property rights registered mainly in the United States of America, the People's Republic of China, Taiwan and Singapore, which it licenses to its customers. As part of its business, the APSI Group is principally engaged in inventing technologies, research and development, patent filing and patent management. Its core technologies to date comprise of its proprietary copper pillar bump technology, molded interconnect substrate technology as well as flip chip packaging and assembly technologies.

Based on the audited financial statements of the APSI Group for the financial period ended 31 December 2013, both the net asset value and net tangible asset value of the APSI Group are S\$30,083,000 and S\$28,332,000 respectively. Accordingly, the net asset value and net tangible asset value attributable to the Sale Shares are S\$7,290,000 and S\$6,866,000 respectively. Based on the audited financial statements of the Company as at 31 December 2013, the book value of the Sale Shares amounts to S\$5,298,000.

2.2 Information on the Purchaser

As at the date of the SPA and this announcement, the Purchaser is J C Investment Pte Ltd, a company incorporated in Singapore on 12 July 1997. The Purchaser holds approximately 53.73% shareholding interest in APSI as at the date of this announcement and is a controlling shareholder of APSI.

2.3 Consideration for the Proposed Disposal

2.3.1 The consideration for the sale and purchase of the Sale Shares shall be the sum of S\$8,904,769, equivalent to approximately S\$0.1385 per Sale Share. The consideration was negotiated at arms-length and arrived at on a willing seller willing buyer basis, taking into account a number of factors including, *inter alia*:-

- (i) the net book value and the net tangible asset value represented by the Sale Shares; and
- (ii) the value of the ongoing business of APSI.

2.3.2 The Consideration shall be satisfied by the Purchaser in cash or immediately available funds to be paid into the Company's bank account.

2.4 Salient Terms of the SPA

Conditions Precedent

The Completion of the Proposed Disposal is conditional upon, *inter alia*, the following matters being fulfilled or done on or prior to the Completion Date:-

- 2.4.1 the Company obtaining such approvals (including but not limited to shareholder approval and/or the approval of the SGX-ST) as it may require for the sale of the Sale Shares to the Purchaser; and
- 2.4.2 the board of directors of the Company, the Non-ASTI Vendors (if applicable) and the Purchaser being obtained for entry into of the SPA and the sale and purchase of the Sale Shares pursuant to the SPA.

2.5 Use of Proceeds

The net proceeds from the Proposed Disposals amount to approximately S\$8.9 million (the "**Net Proceeds**") after deducting professional fees and expenses relating to the Proposed Disposal of approximately S\$20,000. The net proceeds over the book value attributable to the Sale Shares is approximately S\$3,588,000. The Company intends to use the Net Proceeds for general working capital purposes, and pending deployment thereof, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

2.6 Financial Effects of the Proposed Disposal

2.6.1 Illustrative effects of the Proposed Disposal on the net tangible asset and loss per share of the Group

For illustrative purposes only, the pro forma financial effects of the Proposed Disposal on the net tangible asset (the "**NTA**") per share of the Group ("**Share**") and the loss per Share ("**LPS**") based on the latest audited consolidated financial statements of the Group for the year ended 31 December 2013 ("**FY2013**") are as follows:-

(a) Effect on NTA per Share

For illustrative purposes only, had the Proposed Disposal taken place on 31 December 2013 and based on the audited consolidated financial statements of the Group as at 31 December 2013 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Group's NTA as at 31 December 2013:-

FY2013	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	92,980	96,568
Number of issued shares ('000)	654,731	654,731
NTA per share (S\$ cents)	14.20	14.75

(b) Effect on LPS

For illustrative purposes only, had the Proposed Disposal taken place on 1 January 2013 and based on the audited consolidated financial statements of the Company as at 31 December 2013 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Company's LPS for FY2013:-

FY2013	Before the Proposed Disposal	After the Proposed Disposal
Losses attributable to equity holders of the Company (S\$'000)	14,778	11,190
Weighted average number of issued shares ('000)	654,731	654,731
LPS (S\$ cents)	2.26	1.71

2.6.2 Relative Figures Computed⁽¹⁾ on the Bases Set Out in Rule 1006 of the Listing Manual

Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	5.0%
Rule 1006(b)	Net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares	27.8%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Note(s):-

(1) The figures computed here are based on the results for the financial period ended 30 September 2014 which was announced on 13 November 2014.

(2) There were no profits attributable to the Sale Shares. This is not applicable as the Company has never received any dividends from APSI.

(3) Using the weighted average market price on 26 December 2014, being the market day immediately preceding the date of the Agreement, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately S\$32.1 million.

As the figure calculated under Rule 1006 (c) of the Listing Manual is more than 20%, the Proposed Disposal is considered a major transaction under Chapter 10 of the Listing Manual, and is therefore subject to Shareholders' approval.

2.7 Rationale for the Proposed Disposal

The Proposed Disposal is a good opportunity for the Company to divest and realise its interest in APSI. The proceeds will increase the Group's cash resources to support the Group's Back-end Equipment Solutions & Technologies business.

3. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, save for Dato' Michael Loh Soon Gnee who also sits on the board of APSI. Accordingly, he will abstain from voting on the board resolution pertaining to the Proposed Disposal.

4. DETAILS OF ANY SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly no service contract is proposed to be entered into between the Company and any such person.

5. EXTRAORDINARY GENERAL MEETING ("EGM") AND CIRCULAR

As set out in paragraph 2.6.2 of this announcement above, the figure calculated under Rule 1006(c) of the Listing Manual is more than 20%. Pursuant to Rule 1014 of the Listing Manual, the Company has to obtain Shareholders' approval for the Proposed Disposal. A circular containing further details on the Proposed Disposal and enclosing a notice of EGM in connection therewith will be despatched to the Shareholders in due course.

6. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of three (3) months commencing from the date of this announcement.

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of, *inter alia*, the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Executive Chairman & Group CEO
30 December 2014