



## ASTI Holdings Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199901514C)  
(the "**Company**")

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### RESPONSE TO SGX QUERIES

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The board of directors (the "**Board**") of ASTI Holdings Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") would like to provide the following information in response to the queries from the Singapore Exchange Securities Trading Limited ("SGX") in respect of the Master Development Agreement between EoCell, Inc, and Morrow Batteries AS announcement filed on 14 March 2022.

#### **SGX Query 1**

The Company's announcement on 14 March 2022 disclosed that "EoCell, Inc. has entered into a Master Development Agreement on 2 February 2022 ("Agreement") with Morrow Batteries AS ("Morrow") to commercialize a best-in-class prismatic battery for the automotive industry." Please disclose the following:

- (a) If the Agreement was entered into on 2 February 2022, please explain why the Announcement was only made on 14 March 2022.
- (b) Based on the Master Development Agreement, who will hold the design or patents for the "best-in-class prismatic battery for the automotive industry".
- (c) Please explain/elaborate how the prismatic battery is "best-in-class" by providing specific details of its unique features making it the "best-in-class".
- (d) Please provide more information on Morrow Batteries AS, including the business it is in, its paid up capital, when it commenced operations, its track record and the identities of its shareholders and directors.

#### **Response to SGX Query 1**

- (a) If the Agreement was entered into on 2 February 2022, please explain why the Announcement was only made on 14 March 2022.

The Master Development Agreement entered between Morrow and EoCell, Inc. is an agreement between two private companies bound by a confidentiality agreement that restricts the release of public information without the consent of both parties. It is our understanding that the drafting of this Joint Press Release and its review processes between the two parties took approximately 35 days to complete.

- (b) Based on the Master Development Agreement, who will hold the design or patents for the "best-in-class prismatic battery for the automotive industry".

The Master Development Agreement entered between Morrow and EoCell, Inc. is an agreement between two private companies bound by a confidentiality agreement that restricts the release of public information without the consent of both parties. Details regarding design or patent ownership has not been disclosed in public other than information outlined in their Joint Press Release.

- (c) to explain/elaborate how the prismatic battery is "best-in-class" by providing specific details of its unique features that will make it the "best-in-class".

The Master Development Agreement entered between Morrow and EoCell, Inc. is an agreement between two private companies bound by a confidentiality agreement that restricts the release of public information without the consent of both parties. Details regarding specific product details has not been disclosed in public other than information outlined in their Joint Press Release.

- (d) Please provide more information on Morrow Batteries AS, including the business it is in, its paid up capital, when it commenced operations, its track record and the identities of its shareholders and directors.

Morrow Batteries commenced operations in 2020 and has a paid up capital NOK 103,600. It is in the business of developing and manufacturing the battery cells.

The board of directors consist of:

Håkon Tanem, Board Chairman  
Tor Øystein Repstad  
Trond Vegard Stangeby  
Anders Lægreid  
Pål Brun

The list of key shareholders as follows:

List of Shareholders	% Shareholding
Agder Energi Invest As	42.78%
Noah As	30.76%
Fotedar Rahul	9.21%
Racso As	5.34%
Beba As	3.65%
Karlsen Consulting As	2.83%
Nordic Sustainable Ventures As	2.83%
Noah Batteri As	1.96%
Hauge Frederic	0.64%

Information related to Morrow can be found on their website (<https://www.morrowbatteries.com>) or within the Joint Press Release.

## **SGX Query 2**

It is stated that:-

"The Agreement encompasses all phases of product development including material screening, battery design and development, testing and commercialization. The first generation of products are expected to be completed in time for the opening of the first production line in Morrow's Gigafactory." Please provide the following information:

- (a) The estimated investment cost required under the Agreement;
- (b) The specific role and responsibility of each party in the Agreement;
- (c) The length of time needed for the JV to set up the facility for purposes of material screening, battery design and development, and testing and commercialization respectively.
- (d) How the phases of product development will be financed. Please quantify.
- (e) Whether work pursuant to the Agreement has commenced.

## **Response to SGX Query 2**

The Master Development Agreement entered between Morrow and EoCell, Inc. is an agreement between two private companies bound by a confidentiality agreement that restricts the release of public information without the consent of both parties. Details regarding investment cost, roles and responsibilities between the two parties, timing, and financing are all considered confidential which specific details has not been disclosed in public other than information outlined in their Joint Press Release.

Please take note that this agreement is not a Joint Venture Agreement but a Master Development Agreement between Morrow (whom is a customer) and EoCell, Inc..

Work pursuant to the Agreement has commenced.

## **SGX Query 3**

It is stated that:-

"Founded in 2020 and based in Arendal, southern Norway, Morrow is in the process of establishing its 43 GWh gigafactory, which utilizes renewable hydroelectric power from the region to manufacture batteries with the lowest possible CO2 footprint. The first module of the Gigafactory is expected to be operational at end of 2024." Please disclose:

- (a) The current operational status of Morrow namely, whether Morrow is currently in operation and the size of its operations;
- (b) Status of the construction of Morrow's 43 GWh gigafactory namely, whether it is already under construction, whether it has received all necessary approvals for its construction, acquired the title to the necessary land and whether all the contracts with all the necessary contractors etc. are all in place;
- (c) How the development of the gigafactory will be financed, what is the financial position of Morrow or its financier that will enable Morrow to be able to complete such constructions;
- (d) Please provide the current manufacturing capacity of Morrow's operation and provide a perspective on how much 43 GWh adds to the current capacity of Morrow;
- (e) Whether the entire 43 GWh produced will be used for the Company's "best-in-class prismatic battery for the automotive industry";
- (f) The outlook on the optimal size of output from the gigafactory and whether the gigafactory will be fully operational at 43 GWh at end of 2024.

### **Response to SGX Query 3**

Morrow is a private company headquartered in Norway. Information related to Morrow can be found on their website or within the Joint Press Release.

Details regarding investment cost, roles and responsibilities between the two parties, timing, and financing are all considered confidential which specific details has not been disclosed in public other than information outlined in their Joint Press Release.

### **SGX Query 4**

It is stated that:-

"To accelerate development and qualify its products for key market segments, Morrow is also building an industrialization center."

- (a) Please clarify what is the involvement of the Company in the industrialization center, if any.

### **Response to SGX Query 4**

None at this time.

### **SGX Query 5**

It is stated that:-

"The Company would like to notify all its shareholders and business partners that the Group's business shall continue as usual."

- (a) Can the Company explain what this sentence means? Has the Group's business not been usual in the past?
- (b) Please elaborate and quantify what will be the financial effects of the Agreement on the Company.

### **Response to SGX Query 5**

- (a) Can the Company explain what this sentence means? Has the Group's business not been usual in the past?

The Company would like to notify all its shareholders and business partners that the Master Development Agreement between EoCell. Inc, and Morrow Batteries AS as announced on 14 March 2022 does not change the Group's business operations materially.

- (b) Please elaborate and quantify what will be the financial effects of the Agreement on the Company.

The share of losses from EoCell for FY2022 to FY2024 may reduce significantly.

### **SGX Query 6**

In the announcement made by the Company on SGXNet dated 1 March 2022 on the Company's full year results for its financial year ended 31 December 2021 ("FY2021 Results"), we note that the Group had written down the value of EoCell Limited from S\$20.5m to S\$5.0m ("EoCell Impairment"). Please clarify if the EoCell Impairment took into account this Agreement. If not, please clarify whether there would be a material change in the valuation of EoCell Ltd. after taking into consideration the Agreement. Please quantify, where applicable. If not, please provide the basis why such a collaboration will not affect the valuation of EoCell.

### **Response to SGX Query 6**

The impairment assessment of investment in 40% equity interest in EoCell Ltd for financial reporting purpose for financial year ended 31 December 2021 ("Impairment Assessment") is presently in progress. The professionals were notified about the Agreement on 24 February 2022 and further queries pertaining to the Agreement has been raised. The Group is presently in the process of collating information required and there is no draft result presented.

As the work on Impairment Assessment is still in progress, the Group is unable to quantify any change in the valuation of EoCell Ltd, if any.

By Order of the Board

Dato' Michael Loh Soon Gnee  
Non-Executive Chairman  
ASTI Holdings Limited  
28 March 2022