ASTI Holdings Limited
(Company Registration No. 199901514C)
(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Introduction

ASTI Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 6 June 2019.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the "**Board**") wishes to provide an update on the financial situation of the Company and the Group in respect of the nine months ended 30 September 2023.

Update on Unaudited Financial Performance and Financial Position

The Group recorded revenue of $41.2 million in the nine months ended 30 September 2023 ("**9M2023**"); a decrease of $8.3 million from $49.5 million recorded in the previous corresponding period ended 30 September 2022 ("**9M2022**"). This is mainly due to lower revenue generated from our Tape & Reel packaging services contributed by our Philippines operations.

Gross profit margin of the Group dropped by 6 percentage-points from 26% in 9M2022 to 20% in 9M2023.

The Group registered a net loss after tax of $2.9 million in 9M2023 compared to net profit after tax of $5.6 million in 9M2022.

Compared to 31 December 2022, the Group's net assets decreased by S$2.0 million from S$59.2 million at 31 December 2022 to S$58.2 million at 30 September 2023.

Cash at bank and on hand decreased by S$4.1 million from S$25.9 million at 31 December 2022 to S$21.8 million at 30 September 2023, mainly due to the utilisation of cash on the purchase of property, plant and equipment by the Group.

Update on Future Direction and Other Material Development

The Company was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the Listing Manual on 6 June 2019. The deadline for the Company to meet the financial exit criteria set out in Rule 1314(1) of the Listing Manual (the "**Financial Exit Criteria**") was 5 June 2022 pursuant to Rule 1315 of the Listing Manual (the "**Deadline**").

Further to the Company's announcement on 24 May 2022 and 30 May 2022, and the letter of reconsideration dated 31 May 2022, the Company has been informed by the SGX-ST that the Company's application for an extension of time to meet the financial exit criteria set out in Rule 1314(1) of the Listing Manual has been rejected.

As the Company was unable to satisfy the Financial Exit Criteria on or before the expiry of the Deadline, a notification of delisting was issued by SGX-ST (the "**Delisting Notification**") to the Company on 6 June 2022. Trading in the Company's securities was subsequently ceased on 5pm, 5 July 2022 and trading will remain suspended until the completion of the exit offer.

Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders.

On 27 April 2023, SGX had issued a Notice of Compliance ("**NOC**") and directed the Company to convene its Annual General Meetings for financial year ended 31 December 2021 ("**FY2021**") ("**FY2021 AGM**") and for financial year ended 31 December 2022 ("**FY2022**") ("**FY2022 AGM**") by 31 July 2023.

The Company had on 28 April 2023 submitted the application for extension of time to hold FY2022 AGM to SGX-ST as the Company's auditors can only begin their audit work for FY2022 accounts after the FY2021 accounts have been approved at the FY2021 AGM, hence more time is needed for auditors to finalise the FY2022 accounts. However, on 11 May 2023, the Company was notified by the SGX-ST that they are unable to grant the Company the extension of time to comply with Rule 707(1) of the Listing Manual in respect of the Company's AGM for FY2022, taking into consideration that the Company has been in breach of Rule 707(1) in relation to its FY2021 AGM.

On 20 July 2023, the Company has submitted another application for further extension to 31 August 2023 ("**Further Application**") to hold its FY2021 AGM and 31 October 2023 to hold its FY2022 AGM as Ernst & Young LLP will be retiring upon the conclusion of the FY2021 AGM and a resolution to appoint new auditors will be proposed at the FY2021 AGM. Therefore, the new auditors will require more time to complete the FY2022 audit, hence the Company is unable to hold the FY2022 AGM on the same day as the FY2021 AGM. On 25 July 2023, the Company was notified by the SGX-ST that it has rejected the Further Application. Reasons for SGX-ST's rejection of the Further Application are as follows:

(a) The Company has been in breach of Rule 707(1) of the Listing Rules in relation to its FY2021 AGM since 7 September 2022;

(b) The Company has been in breach of Rule 707(1) of the Listing Rules in relation to its FY2022 AGM since 30 April 2023;

(c) The Company was granted multiple EOTs to remedy the breach with regards to its FY2021 AGM; and

(d) The Company was issued a Notice of Compliance on 27 April 2023 directing it to hold its FY2021 AGM and FY2022 AGM by 31 July 2023, but announced on 17 July 2023 that it would breach the requirements imposed by the Notice of Compliance. As the Company is already in breach of Rule 707(1) of the Listing Rules and the Notice of Compliance, an extension of time would not remedy the breaches and thus cannot be granted. The Company must remedy the breaches and convene its FY2021 AGM and FY2022 AGM as soon as possible.

On 21 July 2023, SGX had issued a second Notice of Compliance ("**2nd NOC**") and directed the Company to convene a physical Extraordinary General Meeting ("**EGM**") in Singapore by 31 August 2023. Under the 2nd NOC, at the minimum the EGM should be held to table resolutions to:

(a) Re-appoint any Director that has not been submitted for re-appointment within the last 3 years, in compliance with Rule 720(5) of the Mainboard Rules;

(b) Appoint a New Auditor pursuant to Rule 712(3) of the Mainboard Rules to minimize any further delay to the preparation of the audited financial statements for FY2022 and the conduct of the FY2022 AGM;

(c) (expressed as a matter of good governance) subject the remaining Directors that were appointed after the last Annual General Meeting for re-appointment by the shareholders of the Company.

On 28 August 2023, an injunction has been filed by the Requisitioning Shareholders to ask the Court to give orders to enjoin the convening and holding of the FY2021 AGM on 31 August 2023. On 30 August 2023, after the hearing of Injunction Application, the Requisitioning Shareholders, through their lawyers, accepted the Company's proposal that only proposed Resolutions 1 and 7 in the Notice of AGM shall be tabled and proceeded with at the AGM on 31 August 2023, with Resolutions 2, 3, 4, 5, 6 and 8 to be adjourned to a date to be fixed by the Court in HC/OA 855/2023 and HC/OA 861/2023. Accordingly, the Company held its FY2021 AGM on 31 August 2023 and tabled only Resolutions 1 and 7.

At the conclusion of the AGM, the results of the ordinary resolutions that was put to vote are that the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2021 (Resolution 1) is received and adopted while the appointment of Messrs RT LLP as the Auditors of the Company (Resolution 7) is rejected.

On 15 September 2023, the Court has fixed 23 October 2023 as the hearing date for HC/OA 855/2023 and HC/OA 861/2023.

On 23 October 2023, the Court has adjourned the hearing at the request of the lawyers for the Requisitioning Shareholders to make further submissions by them on certain points of law and that the hearing will continue on 17 November 2023 subject to the final confirmation from the Registrar of the Court.

The Company had provided several updates on the developments regarding potential exit offers in its announcements on 5 October 2022, 11 January 2023, 13 February 2023, 17 March 2023, 14 May 2023, 19 May 2023, 30 May 2023, 10 July 2023, 20 July 2023, 24 July 2023 and 31 July 2023, 9 August 2023, 10 August 2023, 11 August 2023, 14 August 2023 and 25 October 2023.

On 14 May 2023, the Company announced that it has, on 12 May 2023, received an unsolicited, non-binding letter of intent ("**LOI**") from a consortium of two parties (collectively, the "**Potential Offeror Consortium**"). The LOI states the Potential Offeror Consortium's genuine interest in making a possible pre-conditional voluntary general cash offer (the "Potential Offer") through a special purpose vehicle (the "**Potential Offeror**") for all the issued ordinary shares in the capital of the Company (each a "**Share**"), other than Shares held by the Company in treasury and Shares held directly or indirectly by the Potential Offeror Consortium.

The Potential Offeror is Prospera Alliance Pte. Ltd., and that the members of the Potential Offeror Consortium are Capital Engineering Network Public Company Limited (a company listed on the Stock Exchange of Thailand) and Mr. Heah Theare Haw (who is as at the date hereof a substantial shareholder of the Company) which was announced on 30 May 2023.

The Company has announced that the LOI sets out the basis on which the Company and the Potential Offeror Consortium have agreed to continue discussions for the implementation of the Potential Offer and does not constitute a legally binding agreement, save for, inter alia, limited exclusivity and confidentiality undertakings on 10 July 2023.

On 25 October 2023, the Company has announced that the Company has received from the Potential Offeror Consortium and the Potential Offeror a Letter of Notice in relation to the Cessation of Interest in Pursuing a Potential Pre-Conditional Voluntary General Offer for ASTI Holdings Limited (the "**Cessation Letter**"). The Potential Offeror Consortium and the Potential Offeror have informed that they have elected not to pursue the Potential Offer, and stated that their foregoing decision is made in view of the fact that as at 30 September 2023, the audited financial statements of the Company for FY2022 have not been available and it is unclear when these audited financial statements will be issued. The Board will engage the Potential Offeror on the cessation of the Potential Exit Offer while also seeking other potential Exit Offers.

The Board is closely monitoring the situation, and if and when the Company receives further information in relation to the foregoing, the Company will, in compliance with its disclosure obligations under the SGX-ST Listing Manual and Singapore Code on Take-overs and Mergers, promptly make the relevant disclosures as required.

By Order of the Board

Dr Kriengsak Chareonwongsak
Chairman
ASTI Holdings Limited
14 November 2023