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

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**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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The Board of Directors (the "**Board**") of ASTI Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its audited financial statements for the financial year ended 31 December 2019 ("**FY2019**") in the Group's Annual Report 2019 (the "**Audited Financial Statements**") and the announcement on the Unaudited Financial Statements and Dividend Announcement for FY2019 made on 29 February 2020 (the "**Unaudited Financial Statements**").

The Board wishes to announce that subsequent to the release of the Unaudited Financial Statement, the external auditor has proposed certain adjustments and reclassifications following the finalisation of the audit for FY2019.

The material variance between the Group's Audited Financial Statements and the Unaudited Financial Statements is set out below:

**Balance Sheet of the Group as at 31 December 2019**

| | Audited Financial Statements | Unaudited Financial Statements | Difference |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 19,894 | 23,117 | (3,223) (1) (2) (3) |
| Investment properties | – | 297 | (297) (2) |
| Right-of use assets | 2,969 | 1,043 | 1,926 (3) (4) |
| | | | |
| **Current Assets** | | | |
| Inventories | 3,242 | 3,611 | (369) (5) |
| Trade receivables | 12,303 | 11,517 | 786 (5) |
| Assets held for sale | 2,119 | – | 2,119 (1) |
| | | | |
| **Current Liabilities** | | | |
| Provisions | 217 | 88 | (129) (6) |
| Trade payables and accruals | 15,252 | 15,406 | 154 (6) |
| Lease liabilities | 1,582 | 1,454 | (128) (4) |
| | | | |
| **Non-Current Liabilities** | | | |
| Lease liabilities | 1,944 | 1,514 | (430) (4) |

The variances were caused by:

1. The reclassification of certain property, plant and equipment to assets held for sale;
2. The reclassification of certain investment properties to property, plant and equipment due to the commencement of owner-occupation during the year;
3. The reclassification of certain property, plant and equipment purchased under hire purchase to right-of-use assets;
4. The impact on an additional lease accounted in relation to the adoption of new accounting standard, IFRS16;
5. The adjustment made to trade receivables and inventories in relation to revenue and cost of sales recognition cut-off adjustment; and
6. The reclassification of restructuring provision from accruals to provision and reversal of accruals.

**Income Statement of the Group as at 31 December 2019**

| | Audited Financial Statements | Unaudited Financial Statements | Difference |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Revenue | 65,935 | 65,206 | 729 |
| Cost of sales | (50,565) | (50,187) | (378) |
| Other income | 29,758 | 29,945 | (187) |

The variances were caused by:

- The adjustment of Revenue and Cost of sales recognition were due to cut-off adjustment; and
- The difference in Other income was due to different exchange rate used for the calculation of gain on deemed disposal of subsidiaries.

**Cash Flow Statement of the Group as at 31 December 2019**

| | Audited Financial Statements | Unaudited Financial Statements | Difference |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Depreciation of property, plant and equipment | 6,725 | 7,981 | (1,256) (1) |
| Depreciation of right-of-use assets | 1,631 | – | 1,631 (1) (2) |
| Impairment loss on property, plant and equipment | 529 | 1,193 | (664) (3) |
| Impairment loss on right-of-use assets | 590 | – | 590 (3) |
| (Increase)/decrease in receivables | (227) | 18,125 | (18,352) (4) |
| Repayment of loan from associates | 4,065 | – | 4,065 (4) |
| Cash consideration received from disposed of subsidiaries | 13,500 | – | 13,500 (4) |

The variances were caused by:

1. The reclassification of certain depreciation of property, plant and equipment to depreciation of right-of-use assets;
2. The impact on an additional lease accounted in relation to the adoption of new accounting standard, IFRS16 which resulted in a reclassification of expenses to depreciation of right-of-use assets;
3. The reclassification of certain impairment loss on property, plant and equipment to Impairment loss on right-of-use assets; and
4. The reclassification of (increase)/decrease in receivables to Repayment of loan from associates in relation to deemed disposal of subsidiaries and Cash consideration received from disposed of subsidiaries completed in FY2018.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
ASTI Holdings Limited
15 June 2020