



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

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**PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF  
SEMICONDUCTOR TECHNOLOGIES & INSTRUMENTS PTE LTD**

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**1. INTRODUCTION**

1.1 The board of directors (the “**Board**” or “**Directors**”) of ASTI Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements made by the Company on 18 December 2017 and 20 March 2018 (the “**Announcements**”) in relation to the Company’s proposed disposal of the entire issued and paid-up share capital of its following wholly-owned subsidiaries:

- (a) Semiconductor Technologies & Instruments Pte Ltd (“**STI SG**”);
- (b) Semiconductor Technologies & Instruments Sdn Bhd (“**STI Msia**”);
- (c) Semiconductor Technologies & Instruments Phils., Inc (“**STI Phils**”);
- (d) Semiconductor Technologies & Instruments (Taiwan), Inc. (“**STI TW**”); and
- (e) STI Tech Korea Co., Ltd (“**STI Korea**”).

Unless otherwise defined herein, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

1.2 The Board wishes to announce that the Company had on 30 March 2018 entered into a conditional sale and purchase agreement (the “**SPA**”) with Shanghai Pudong Science and Technology Investment Co., Ltd (“**PDSTI**”), in relation to the proposed disposal by the Company of 100% of the entire issued and paid-up capital of its wholly-owned subsidiary, STI SG (the “**Proposed Disposal**”). It is a condition precedent to the Proposed Disposal that the ownership of each of STI Msia, STI Phils, STI TW and STI Korea be transferred from the Company to STI SG such that STI SG will own 100% of the issued share capital of each of STI Msia, STI Phils, STI TW and STI Korea (the “**Restructuring**”). Upon completion of the Restructuring, STI SG, STI Msia, STI Phils, STI TW and STI Korea shall be known as the “**STI Group**” and each an “**STI Company**”.

Upon the completion of the Restructuring and Proposed Disposal, the STI Group will cease to be subsidiaries of the Company.

The Company and PDSTI shall each be referred to as a “**Party**” and collectively the “**Parties**”.

1.3 The Proposed Disposal constitutes a “major transaction” under Chapter 10 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and is subject to the approval of the shareholders of the Company (the “**Shareholders**”) being obtained at an extraordinary general meeting to be convened (“**EGM**”). Please refer to paragraph 6 of this announcement for further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual.

A circular setting out, inter alia, further details of the Proposed Disposal, together with a Notice of the EGM, (the “**Circular**”) will be despatched to the Shareholders in due course.

**2. INFORMATION ON THE STI GROUP**

STI SG was incorporated in the Republic of Singapore on 15 May 1997 and has an issued and paid-up share capital of S\$1,500,000 comprising 1,500,000 issued and paid-up ordinary shares.

STI Msia was incorporated in Malaysia on 4 July 1998 and has an issued and paid-up share capital of RM 500,000 comprising 500,000 issued and paid-up ordinary shares.

STI Phils was incorporated in the Republic of Philippines on 4 February 2000 and has an issued and paid-up share capital of Peso 8,200,000 comprising 82,000 issued and paid-up capital.

STI Taiwan was incorporated in the Republic of China on 6 March 2000 and has an issued and paid-up share capital of NT\$1,000,000 comprising 100,000 issued and paid-up capital.

STI Korea was incorporated in the Republic of Korea on 19 December 2005 and has an issued and paid-up share capital of 50,000,000 comprising 10,000 issued and paid-up capital.

The STI Group is principally engaged in the business of research, design, development, manufacturing and marketing of semiconductor equipment (the “**Business**”).

### **3. INFORMATION ON PDSTI**

PDSTI, established in 1999, is a Shanghai-based investment company specializing in domestic and oversea investments in the high-tech industries. Well-known for its mergers and acquisitions strategy in the semiconductor space, PDSTI has recently led the launch of a 10 billion RMB investment fund with primary focus on semiconductor manufacturing equipment and material. The fund sets out strategy to invest in global opportunities, as well as help optimize the business and enhance the value of its portfolio companies in the Chinese semiconductor market.

In recent years, PDSTI has been actively involved in cross-border mergers and acquisitions, especially in the semiconductor space. PDSTI has confirmed that the directors and/or substantial shareholders of PDSTI are not related to the directors and/or substantial shareholders of the Company and the STI Group.

### **4. RATIONALE FOR AND USE OF PROCEEDS FROM THE PROPOSED DISPOSAL**

The Board is of the view that the Proposed Disposal is in the interests of the Company and Shareholders as it will allow the Company to unlock the value of the assets in the STI Group and re-strategise its financial and capital resources.

With the Proposed Disposal, the Company will substantially reduce its liabilities, improve its gearing and have more working capital to fund its operations, expand into other businesses and undertake the new investment opportunities that may arise in the future, which may result in higher value to the Shareholders. The Company is considering its options in relation to other business ventures and more information will be provided to the Shareholders at the appropriate juncture.

The estimated net proceeds from the Proposed Disposal, after deducting estimated expenses to be incurred in connection with the Proposed Disposal of approximately S\$17,200,000, is approximately S\$72,800,00 (the “**Net Proceeds**”). The Company intends to utilize the Net Proceeds for general working capital requirements of the Group and to fund future business expansions, investments and acquisitions when suitable opportunities arise. Pending the deployment of the Net Proceeds for the purposes mentioned, such proceeds may be deposited with financial institutions, invested in short term money markets and/or marketable securities, or for any purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

### **5. SALIENT TERMS OF THE SALE AND PURCHASE AGREEMENT**

#### **5.1 Restructuring and Proposed Disposal**

As each STI Company is currently held by the Company directly, the Company will be undertaking the Restructuring to transfer STI Msia, STI Phils, STI TW and STI Korea to its

wholly-owned subsidiary, STI SG. Subject to the terms and conditions of the SPA, the Company shall sell, and PDSTI shall buy, the entire issued and paid up share capital of STI SG free of all encumbrances and together with all rights of any nature which are now or which may at any time become attached thereto or accrue in respect thereof (including all dividends / shares on profit and distributions declared, paid or made in respect thereof) as from the date of completion of the Proposed Disposal (the "**Closing Date**").

## 5.2 Consideration

5.2.1 The aggregate consideration for the Proposed Disposal shall be S\$90,000,000.00 (the "**Consideration**"), subject to the adjustment mechanism set out in the SPA. The Consideration was arrived at pursuant to arm's length negotiations between the Company and PDSTI on a willing-buyer and willing-seller basis, taking into account a number of factors including, *inter alia*, the historical performance and business prospects of the STI Group.

5.2.2 The Consideration shall be satisfied by PDSTI in cash in the following manner:

- (a) S\$72,000,000 (being 80% of the Consideration) shall be payable by PDSTI on the Closing Date;
- (b) S\$9,000,000 (being 10% of the Consideration), as adjusted pursuant to the adjustment mechanism set out in paragraph 5.2.3 of this announcement (the "**Second Payment**") shall be payable by PDSTI:
  - (i) if the completion of the Proposed Disposal (the "**Closing**") occurs before 30 June 2018 (the "**Cut-off Date**"), within ten (10) business days upon the date of completion of the Closing Audit (as defined in paragraph 5.2.4 of this announcement); or
  - (ii) if the completion of the Closing Audit occurs before Closing, on the Closing Date; and
- (c) S\$9,000,000 (being 10% of the Consideration) (the "**Third Payment**") shall be payable by PDSTI on or prior to Closing, to a bank account to be jointly opened by the Parties with an escrow agent to be mutually agreed between the Parties ("**Escrow Agent**") to be dealt with in accordance with the terms of the SPA and the escrow agreement to be entered into between the Escrow Agent and the Parties (the "**Escrow Agreement**") and as further set out in paragraph 5.2.5 of this announcement below.

5.2.3 The Second Payment shall be adjusted as follows:

- (a) if the amount of the actual aggregate net asset value of the STI Group, computed on the basis of total assets minus total liabilities in compliance with the generally accepted accounting principles, standards and practices in the jurisdiction in Singapore and other applicable jurisdictions as at the date of the SPA (the "**Actual NAV**") is equal to or higher than the amount of S\$69,000,000, then the Second Payment shall be equal to 10% of the Consideration without any adjustments;
- (b) if the Actual NAV is less than the amount of S\$69,000,000, then the Second Payment shall be equal to 10% of the Consideration minus a number equal to the difference between the amount of the Actual NAV and the amount of S\$69,000,000 (the "**Net Assets Adjustments**").

If 10% of the Consideration is less than the Net Assets Adjustments, then PDSTI does not need to make the Second Payment to the Company. Instead, the Company shall make the payment in cash equal to the aforementioned shortfall, being the difference between the net Assets Adjustments and 10% of the Consideration, to PDSTI within ten business days upon the date of completion of the Closing Audit.

5.2.4 As soon as practicable after the Cut-off Date and in any event within thirty (30) business days after the Cut-off Date, the Parties will procure that the Company prepare and deliver to PDSTI's appointed auditors, PricewaterhouseCoopers International Limited (the "**Accountant**"):

- (i) the consolidated financial statements of the STI Group as at the Cut-off Date (the "**Closing Accounts**");
- (ii) the calculation of the Actual NAV, determined on the basis of the Closing Accounts; and
- (iii) the amount of the Net Assets Adjustments, in accordance with the provisions of the SPA.

PDSTI shall direct the Accountant to, within twenty (20) business days upon its receipt of the Closing Accounts, conduct an audit on the Closing Accounts:

- (a) in accordance with the accounting principles and methodologies as consistently applied by each STI Company in compliance with the generally accepted accounting principles, standards and practices in the jurisdiction in Singapore and other applicable jurisdictions as at the date of the SPA ("**Accounting Principles**"); and
- (b) to the extent not covered or inconsistent with sub-paragraph (a) above, on the basis consistent with the accounting methods, practice, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the consolidated and audited financial statements of the STI Group as at 31 December 2017 as if the Closing Accounts were prepared as of a financial year end,

and based on the result of such audit, determine the amount of the Actual NAV and the Net Assets Adjustments in accordance with the provisions of the SPA (the "**Closing Audit**").

5.2.5 The Company undertakes that the aggregated amount of profits (before payment of taxes) of the STI Group (the "**Actual Profits**") in 2018 and 2019 is not less than \$17,000,000 (the "**Target Profits**") based on STI SG's audited Financial Statements for the financial years ending 31 December 2018 and 31 December 2019 respectively (the "**2018 Audited Accounts**" and "**2019 Audited Accounts**" respectively) (referred to as the "**Profit Guarantee**"), provided always that the Profit Guarantee shall be based on the prevailing management and operation structures and the expenses are incurred by the STI Group in the conduct of the Business in the ordinary course of business. PDSTI agrees that it shall maintain an accounting system that enables the Company to readily identify each STI Company's assets, expenses, costs of goods and use of funds for the period of the Profit Guarantee. In order to satisfy itself as to the Profit Guarantee, the Company shall be entitled, at the end of the period of the Profit Guarantee, to engage one of the big-four accounting firms (i.e. member firms of Deloitte Touche Tohmatsu Limited, PricewaterhouseCoopers International Limited, KPMG International Cooperative and Ernst & Young) to inspect and perform an audit over the books and records relating to the business conducted by the STI Group and PDSTI shall provide all such information and explanations as the Company may require, provided that the Company shall bear customary non-disclosure obligations to the reasonable satisfaction of PDSTI. If it shall be determined as a result of such audit that there is any increase in capital expenditure or costs (including on research and development) in comparison to the averages of the same for the financial years ended 31 December 2016 and 31 December 2017 incurred by the STI Group, the Parties shall discuss in good faith the appropriate adjustment(s) to be made to the Target Profits.

In connection with the Profit Guarantee, save as otherwise provided in this paragraph 5.2.5:

- (a) in the event that:

- (i) the Actual Profits in 2018 is not less than S\$8,000,000 based on the 2018 Audited Accounts, the Parties shall jointly instruct the Escrow Agent to release an amount equal to half of the Third Payment to the bank account of the Company, within ten (10) business days upon issuance of the 2018 Audited Accounts;
  - (ii) the Actual Profits are equal to or more than the Target Profits, the Parties shall jointly instruct the Escrow Agent to release an amount equal to the balance Third Payment to the bank account of the Company, within ten (10) business days upon issuance of the 2019 Audited Accounts; and
  - (iii) in the event that the Actual Profits are less than the Target Profits (the “**Shortfall**”), the Parties shall jointly instruct the Escrow Agent to release an amount equal to the balance Third Payment and (if the Shortfall is more than such balance Third Payment) the Company shall pay in cash an amount equal to the Shortfall minus such balance Third Payment, to the bank account of PDSTI within ten (10) business days upon issuance of the 2019 Audited Accounts, provided always that if the Actual Profits are negative, any such losses shall not be taken into account and the Actual Profits shall be deemed as zero; and
- (b) any and all interest accrued on the Third Payment, if any, shall be released to the Company or PDSTI together with the principal amount to be released to such Party (pro rata) pursuant to the SPA at the same time as payment of the corresponding principal.

### 5.3 Conditions Precedent

The Completion of the Proposed Disposal is conditional upon the fulfilment (or waiver) of, *inter alia*, the following conditions:

- 5.3.1 save as duly disclosed, all of the representations and warranties made by the Company in the SPA (considered collectively), and each of said representations and warranties (considered individually), shall have been true, accurate and complete in all respects as of the date of the SPA, and shall be true, accurate and complete in all respects as of the Closing Date as if made on the Closing Date, except for any representation and warranty which is expressly indicated as being made as at any specified date, which shall be true and accurate as at such date only;
- 5.3.2 each of the agreements, instruments and documents contemplated in connection with the SPA having been duly executed by the relevant parties and each of them being valid and enforceable;
- 5.3.3 all governmental approvals and consents from any competent governmental body (including from the SGX-ST) that are required in connection with the transactions contemplated hereby shall have been duly obtained and shall continue to be in full force and effect.
- 5.3.4 the approval of (a) the board of directors and, if applicable, shareholders of STI SG being obtained for transactions contemplated under the Proposed Disposal, and (b) the shareholders of the Company being obtained, at a general meeting held by the Company, for transactions contemplated under the Proposed Disposal;
- 5.3.5 since the date of the SPA, there shall not have been commenced or threatened in writing against the Company or the STI Group, or against any person affiliated with the Company or the STI Group, any legal proceeding (a) involving any material challenge to, or seeking material damages or other material relief in connection with the Proposed Disposal, or (b) that may have the effect of preventing, delaying, making illegal or otherwise interfering with the Proposed Disposal;

- 5.3.6 no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the consummation of the Proposed Disposal shall be in effect, nor shall any action have been taken by any governmental body seeking any of the foregoing, and no statute, rule, regulation or order shall have been enacted, entered, enforced or deemed applicable to the Proposed Disposal;
- 5.3.7 the Company shall have duly completed the Restructuring;
- 5.3.8 save as duly disclosed, there shall have been no material adverse change since the date of the SPA;
- 5.3.9 the Company shall have obtained all third party consents and/or waivers in connection with the Proposed Disposal;
- 5.3.10 all landlords to the real properties leased by the STI Group have given their respective acknowledgements or unconditional consents (where necessary) to the Proposed Disposal;
- 5.3.11 a new sub-lease agreement shall have been duly executed by and between STI SG and the Company with respect to the office premise currently leased by STI SG to the reasonable satisfaction of PDSTI;
- 5.3.12 all loan or indebtedness owing by the STI Group to the Company and its affiliates (not including the STI Group), but excluding any and all trade debts, having been settled to the reasonable satisfaction of PDSTI;
- 5.3.13 new insurance policies having been secured for the STI Group to the reasonable satisfaction of PDSTI;
- 5.3.14 the transfer of the STI Group's intellectual property ("**STI IP**") having been legally completed in accordance with the terms set out in the SPA to the reasonable satisfaction of PDSTI;
- 5.3.15 (a) all payables (on a non-trading basis) of the Company, and/or its affiliates, its shareholders and/or any of their affiliates (other than any STI Company) to the STI Group as recorded and reflected in the financial statements as at Closing, but excluding any and all trade debts (the "**ASTI Payables**"), and (b) the trade debt payable by Telford Svc. Phils., Inc. (a group company of the Group) to the STI Group shall have been fully paid back and settled pursuant to the terms set out in the SPA, to the reasonable satisfaction of PDSTI;
- 5.3.16 the discharge of any charges registered against the STI Group;
- 5.3.17 the number of employees of the STI Group shall not be reduced by more than 10% since the date of the SPA, provided that the Company may at its sole discretion procure replacements of any employee at the relevant STI Company's cost;
- 5.3.18 the unconditional and irrevocable discharge of the STI Group in relation to any guarantee, letter of comfort or support, indemnification or similar document or undertaking with respect to the obligations, liabilities or indebtedness of the Company or any of its affiliates, that may have granted by the STI Group to any third party;
- 5.3.19 the transfer of assets and employees pursuant to terms and conditions to be agreed by the Parties prior to the Closing Date having been completed to the reasonable satisfaction of PDSTI;
- 5.3.20 registration with the provincial branch of Chinese National Development and Reform Commission;
- 5.3.21 registration with the provincial branch of Ministry of Commerce of the People's Republic of China;

- 5.3.22 the approval/clearance for the Proposed Disposal and the circular to be addressed to the Company's shareholders relating to the Proposed Disposal, from the SGX-ST having been received and not withdrawn or revoked as at the Closing, and if approval is subject to any conditions or restrictions being imposed by the SGX-ST, such conditions or restrictions being reasonably acceptable to the Company;
- 5.3.23 the declaration and payment of a pre-Closing dividend amounting to S\$38 million to the Company, which shall be used to offset a portion of the ASTI Payables (the "**Pre-Closing Dividend**");
- 5.3.24 the consultancy agreement between Dato' Michael Loh Soon Gnee ("**Dato' Michael Loh**") and STI SG having been duly executed by and between the Dato' Michael Loh and STI SG, on such terms as may be satisfactory to the Company;
- 5.3.25 the entry into an arrangement between the relevant STI Company and the Company, its affiliates or Advanced Systems Automation Limited ("**ASA**") (or their nominee) for the licence of the STI IP not relating to the operation of the Business which is used or required by the Company or its affiliates or ASA, on a perpetual, royalty-free and worldwide basis in accordance with the terms of the SPA; and
- 5.3.26 the unconditional and irrevocable discharge of the Company or any of its affiliates in relation to any guarantee, letter of comfort or support, indemnification or similar document or undertaking with respect to the obligations, liabilities or indebtedness of any STI Company, that may have granted by the Company or any of its affiliates to any third party.

## 6. **RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DISPOSAL**

Rule 1014(1) of the Listing Manual states that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, a transaction is classified as a "major transaction". Rule 1014(2) of the Listing Manual further states that such a "major transaction" must be made conditional upon approval by Shareholders at a general meeting to be convened.

Based on the unaudited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2017 ("**FY 2017**") (the "**FY2017 Financial Statements**"), the relative figures computed in respect of the Proposed Disposal on the bases set out in Rule 1006 of the Listing Manual are as follows:

<b>Rule</b>	<b>Bases of computation</b>	<b>Relative figure computed in accordance with the bases set out in Rule 1006</b>
1006(a)	Net asset value (" <b>NAV</b> ") of assets being disposed of compared with the Group's net asset value.	123.9% <sup>(1)</sup>
1006(b)	Net profits <sup>(2)</sup> attributable to the assets acquired, compared with the Group's net profits.	(17.3%) <sup>(3)</sup>
1006(c)	The aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	191.5% <sup>(4)</sup>
1006(d)	The 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 <sup>(5)</sup>

1006(e)	The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.	Not applicable <sup>(6)</sup>
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Notes:

1. Based on the aggregate NAV of the STI Group as at 31 December 2017 of S\$62,724,000, divided by the Group's NAV as at 31 December 2017 of S\$50,616,000.
2. Net profits refer to profit before income tax, minority interests and exceptional items.
3. Based on the aggregate unaudited net profits attributable to the STI Group for the financial year ended 31 December 2017 of S\$2,280,000, divided by the Group's unaudited net loss for the financial year ended 31 December 2017 of S\$13,216,000.
4. The market capitalisation of the Company as at 29 March 2018 (based on the volume weighted average price of S\$0.07180 per share of the Company on such date), being the last market day on which shares of the Company were traded on the SGX-ST prior to the date of signing of the SPA, is S\$47,010,000.
5. Not applicable as this basis is not applicable to a disposal of assets, as is the case here.
6. Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rule(s) 1006(a) and (c) exceed 20%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of the Shareholders at a general meeting to be convened.

## 7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

- 7.1 Based on the FY 2017 Financial Statements, the book value of the STI Group (the "**STI Group Book Value**") and net tangible asset value of the STI Group as at 31 December 2017 are approximately S\$62,724,000 respectively.
- 7.2 Based on the FY2017 Financial Statements, the Net Proceeds and the Pre-Closing Dividend, the Group would expect to realise an attributable net disposal gain of S\$48,076,000 and an excess of the Net Proceeds over the STI Group Book Value of approximately S\$10,076,000.
- 7.3 For illustration purposes only and based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2017, the financial effects of the Proposed Disposal on the net tangible assets ("**NTA**") per Share and earnings per shares ("**EPS**")/loss per share ("**LPS**") of the Company and the Group, as the case may be, are set out below. The *pro forma* financial effects analysis of the Proposed Disposal have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the actual financial position of the Company and the Group immediately after completion of the Proposed Disposal, and have been prepared based on the following key assumptions:
  - (a) for the purposes of computing the NTA per Share of the Company, assuming that the Proposed Disposal had been completed on 31 December 2017, being the end of FY 2017; and
  - (b) for the purposes of computing the EPS/LPS of the Company, assuming that the Proposed Disposal had been completed on 1 January 2017, being the beginning of FY 2017.

### 7.4 NTA per Share

The illustrative financial effects of the Proposed Disposal on the NTA per Share of the Group for FY 2017 are as follows:-



	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA (S\$'000) <sup>(1)</sup>	46,446,000	94,522,000
Number of issued Shares <sup>(2)</sup>	654,731,486	654,731,486
NTA per Share (Singapore cents)	7.09	14.44

**Note(s):**

1. NTA is derived from total tangible assets minus total liabilities.
2. Based on the existing share capital of the Company comprising 654,731,486 Shares as at 31 December 2017.

**7.5 EPS/LPS**

The illustrative financial effects of the Proposed Disposal on the EPS/LPS of the Group for FY 2017 are as follows:-

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
(Loss) / Profits attributable to Shareholders (S\$'000)	(4,397,000)	43,545,000
Weighted average number of Shares	654,731,486	654,731,486
(Loss) / Earnings per Share (cents)	(0.67)	6.65

**8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Subject to paragraph 9 of this announcement below, as at the date hereof, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships and shareholdings in the Company, if any.

**9. DIRECTOR'S SERVICE CONTRACT**

Dato' Michael Loh, a director of the Company, will enter into a consultancy agreement with STI SG as a condition precedent to the Closing of the Proposed Disposal.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Term Sheet, the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

**11. EGM AND CIRCULAR**

As set out in section 6 of this announcement above, the relative figures calculated under each of Rules 1006(a) and (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.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA will be made available for inspection during normal business hours at 25 Kallang Avenue, #06-01 Kallang Basin Industrial Estate, Singapore 339416, for a period of three months from the date of this announcement.

**13. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of 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.

The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Disposal, the SPA and other matters contemplated in this announcement.

By Order of the Board

Dato' Michael Loh Soon Gnee  
Executive Chairman & Chief Executive Officer  
ASTI Holdings Limited  
2 April 2018