



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

**NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE
ISSUED AND PAID-UP SHARE CAPITAL OF CERTAIN SUBSIDIARIES OF THE COMPANY**

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of the Company wishes to announce that the Company has on 29 August 2017 entered into a non-binding term sheet (the "**Term Sheet**") with China Fortune-Tech Capital Co., Ltd. ("**CFTC**"), 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**"),

(collectively known as the "**STI Group**") (the "**Proposed Disposal**").

The negotiation is still ongoing and the indicative consideration of the transaction is between S\$105 million to S\$115 million.

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 2 January 2004 and has an issued and paid-up share capital of KRW 50,000,000 comprising 10,000 issued and paid-up capital.

The STI Group is principally engaged in the business of research, design, development, manufacture and marketing of semiconductor equipment.

3. INFORMATION ON CFTC

CFTC was incorporated in February 2014 in Shanghai, the People's Republic of China ("**PRC**") by a leading semiconductor foundry in the PRC, and a senior investment team along with other shareholders.

CFTC's investments focus on the integrated circuit ("IC") industry including semiconductor materials and electronic materials, IC design, equipment, intellectual property, services and tools.

Its core team consists of IC and telecommunication industry entrepreneurs with more than 20 years of experience in enterprise management and investment. Besides the strong support from its shareholders, CFTC has also invited active and prestigious experts, who come from leading IC companies, IC industry associations and financial institutions, to form part of its advisory committee.

Since its incorporation, CFTC has established 7 funds and invested in more than 30 projects. The amount of funds currently under CFTC's management has exceeded RMB 3 billion.

4. SALIENT TERMS OF THE TERM SHEET

The Term Sheet is intended to set out the basis for further discussion in respect of the Proposed Disposal and the main principles that will underlie the legally binding definitive documentation (the "**Definitive Documents**") that the parties to the Term Sheet will enter into concerning the Proposed Disposal. Some of the salient terms are set out below:

4.1 Conditions Precedent

The conditions precedent for the Proposed Disposal shall include customary conditions precedent for transactions of such nature, including but not limited to, satisfactory completion of due diligence by CFTC, execution of Definitive Documents and applicable regulatory approvals.

4.2 Exclusivity

The Company grants the Purchaser a 2 month exclusivity period ("**Exclusivity Period**") commencing upon signing of the Term Sheet and shall negotiate with the Purchaser with a view to agreeing on the terms of the Definitive Documents for the Proposed Disposal within the Exclusivity Period.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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.

6. 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.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate, including when Definitive Documents have been entered into in relation to the Proposed Disposal. The Board wishes to emphasise that there is no certainty or assurance that Definitive Documents in respect of the Proposed Disposal will be entered into, or that the Proposed Disposal will materialise. Shareholders and potential investors of the Company should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
ASTI Holdings Limited
19 September 2017