ASTI Holdings Limited

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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 ("**FY2023**") in the Group's Annual Report 2023 (the "**Audited Financial Statements**") and the announcement on the Unaudited Financial Statements FY2023 released on 20 September 2024 (the "**Unaudited Financial Statements**").

The Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, the external auditor has proposed certain adjustments and reclassifications following the finalisation of the audit for FY2023.

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

<u>Balance Sheet of the Group as at 31 December 2023</u>

	Audited Financial Statements	Unaudited Financial Statements	Difference	Difference
	$'000	$'000	$'000	%
Non-Current Assets				
Deferred tax assets	39	36	3 (1)	8%
Current Assets				
Other receivables	1,140	1,281	(141) (2)	(11%)
Equity				
Foreign currency translation reserve	(2,345)	(1,907)	(438) (3)	(23%)
Non-current Liabilities				
Long term payables	1,995	2,675	(680) (4)	(25%)
Provisions	715	0	715 (4)	100%
Lease liabilities	806	903	(97) (5)	(11%)
Current Liabilities				
Lease liabilities	634	665	(31) (5)	(5%)
Income tax payables	205	217	(12) (1)	(6%)

The variances were due to:

(1) The adjustment on the reassessed deferred tax assets and income tax payables upon finalisation of a subsidiary's financial results.
(2) The reversal of entry relating to other receivables due to period adjustment recorded in FY2023.
(3) The adjustment due to re-assessment of foreign exchange translation upon finalisation of subsidiaries' financial results.
(4) The reclassification of provisions for defined benefits to a separate disclosure by the auditors and movement in the provision due to finalisation of the defined benefits computation now taken up; and
(5) The adjustment on the reassessed lease liabilities upon finalisation of a subsidiary's financial results.

Income Statement of the Group as at 31 December 2023

	Audited Financial Statements	Unaudited Financial Statements	Difference	Difference
	$'000	$'000	$'000	%
Other income	897	663	234 [6]	35%
Marketing and distribution	(1,408)	(1,256)	(152) [7]	(12%)
Other losses, net	(1,627)	(1,845)	218 [8]	12%
Loss for the year	(4,953)	(5,363)	410 [9]	8%

These adjustments and re-classifications resulted a net decrease of S$410,000 in loss for the year respectively, taking into account other line items which are not material. The variances were due to:

(6) The adjustment on third- party payables written off.
(7) The adjustment on the under-provision of accrued leave and reclassification of certain marketing and distribution expenses to administrative expenses.
(8) The adjustment on foreign exchange movement due to the writing-off of property, plant and equipment after finalisation of an overseas subsidiary's financial results.
(9) The net effect on loss for the year upon finalisation of the Group's financial results after adjusting items 6-8 above and other non-material items should be S$410,000.

Cash Flow Statement of the Group as at 31 December 2023

	Audited Financial Statements	Unaudited Financial Statements	Difference	Difference
	$'000	$'000	$'000	%
Net cash flows generated from operating activities	8,239	1,783	6,456 [9,10,11,12,13,14,15]	> 100%
Net cash flows used in investing activities	(7,639)	(3,522)	(4,117) [11,17]	(> 100%)
Net cash flows used in financing activities	(5,359)	(4,165)	(1,194) [12]	(29)%
Net decrease in cash and cash equivalents	(4,759)	(5,904)	1,145 [9-16]	19%

These adjustments and re-classifications resulted a net increase of S$1,145,000 in the cashflow statements. The variances were due to:

(10) The impairment loss of property, plant and equipment upon finalisation of subsidiary's financial results.
(11) The reclassification of trade and other payables from operating cashflow to investing activities.
(12) The reclassification of interest paid and payment of principal portion of lease liabilities from operating activities to financing activities upon finalisation of the Group's financial results.
(13) The adjustment made on the disposal of a subsidiary.
(14) The adjustment on additional writing-off of third-party payables upon finalisation of a subsidiary's financial results.
(15) The adjustment on exchange differences and the movement in working capital upon finalisation of Group's financial results; and

(16) The adjustment on the proceed of property, plant and equipment upon finalisation of a subsidiary’s financial results.

By Order of the Board

Ng Yew Nam
Executive Chairman & Chief Executive Officer
ASTI Holdings Limited
12 February 2025