



ASTI Holdings Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 199901514C)

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- (1) **RECEIPT OF AND RESPONSE TO MATTERS RAISED BY A LETTER FROM A SHAREHOLDER OF THE COMPANY**
- (2) **LETTER FROM THE COMPANY TO A SUBSTANTIAL SHAREHOLDER, MR. NG YEW NAM, ON MATTERS ARISING FROM THE LETTER FROM A SHAREHOLDER AND MATTERS RELATED TO MR. NG YEW NAM**
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The Board of Directors of the Company (the “**Board**”) informs that it had received a letter dated 10 May 2023 from a shareholder of the Company which raised concerns on issues affecting the Company. The Board wishes to keep shareholders of the Company informed of the matters raised in that letter and the Board’s response, thus far, arising from that letter.

At the outset, the Board reiterates that it had been acting and it continues to act in the best interest of the Company and its general body of shareholders, keeping in view the importance of good governance and respecting the rights of all shareholders. This includes keeping shareholders informed of material matters and developments, especially all legitimate concerns raised by shareholders. Accordingly, the Board sets out in this Announcement the steps it has so far taken and its responses to the matters raised by the shareholder in the letter dated 10 May 2023.

(1) **Receipt of and Response to Matters raised by a letter from a Shareholder of the Company**

The Board also informs that the letter in question was also addressed to The Securities Investors Association (Singapore) (“**SIAS**”) and Singapore Exchange Regulation (“**SGX**”). In summary, the matters brought up by the shareholder in the letter included the following (and the Board’s response to each such query appears below in ***bold italics***):

(a) **“Fight for control”**

Why is there (to quote from the letter) *“a fight for control of the board” “at a time when the Company has already achieved a significant turnaround”*? This question was extended to asking why resources of the Company are being expended due to the *“tussle between the requisitioning members and the board”*, since the shareholders have received some dividend and are hoping for more.

Whether the Company’s Directors have made efforts to meet the requisitionists (i.e. Mr. Ng Yew Nam and other requisitioning shareholders (together, the **“requisitioning shareholders”**)) and to resolve the matter amicably, and whether the Company has approached SIAS. The shareholder expressed that there might be *“an early resolution”* to the situation *“if there an Exit Offer that is fair and reasonable is presented to the shareholders of the Company in an open manner for the shareholders to consider”*.

Please refer to another Announcement made by the Company on the same date, 1 June 2023 (the "SIAS Response Announcement"). The Board has explained in the SIAS Response Announcement the circumstances leading to up to the failure by the requisitioning shareholders to call the extraordinary general meeting of the Company which they had proposed to be held on 5 May 2023 (the "Proposed EGM").

The SIAS Response Announcement also informs as to the considerations of the Board, and the priority of the Board to contribute to facilitating and expediting the Potential Exit Offer (which was first announced in the Company's Announcement on 14 May 2023 and with a supplementary Announcement made on 30 May 2023).

The Board has also enquired with Mr. Ng Yew Nam if he, solely or together with Mr. Soh Pock Kheng (also known as "James Soh") or any other person, intends to make an Exit Offer. (See also the Board's comment on this, below in this Announcement.)

(b) **Delay in AGMs**

That the shareholder is frustrated by the delays in holding the AGMs for FY2021 and FY2022 due to the major issue of the valuation of EoCell, and asks the Directors how this matter is being expedited. The shareholder also pointed out that the delay in the audited accounts of the Company is an uncertainty which might deter the offeror in an Exit Offer. Therefore, the Directors are asked to make all efforts to close the accounts and expedite the AGMs.

As informed in the SIAS Response Announcement, the delay in obtaining the audited financial statements is due to Eocell being a battery start-up company which is still in development stage and the uncertainties involved in valuing a start-up with an innovative technology that does not have a commercialized product resulting in the difference in valuation methodology (relating to EoCell) between the former valuer and the auditor of the Company. The Board has appointed a new valuer who has begun working on this with the Company's auditor. The Board is of the view that focusing its efforts on finalising such audited results will facilitate and expedite the Potential Exit Offer.

(c) **Corporate Governance relating to Mr. Ng Yew Nam and requisitioning shareholders**

- (i) Whether the persons proposed by Mr. Ng Yew Nam and other requisitioning shareholders have the credentials and abilities to manage the affairs of the Company as well as the Exit Offer process. A question was raised as to how these persons can contribute better and manage the Exit Offer process, compared to the current Directors who have delivered a turnaround and an interim dividend.

As mentioned below, although the Board had written on 22 May 2023 to Mr. Ng Yew Nam and requested for his response by 29 May 2023, he has refused, failed or neglected to do so. As such, it seems that Mr. Ng Yew Nam is not prepared to proceed in a cooperative manner with the Board.

In any event, it remains to be seriously questionable whether, and how, Mr. Ng Yew Nam and other Proposed Candidates will be able to manage the affairs of the Company as well as the Exit Offer process.

- (ii) The shareholder asked the Board to address the question as to why the company named iTrue China Pte Ltd - which Mr. Ng Yew Nam (one of the 2 proposed Executive Directors put up by the requisitioning shareholders in their attempt to call an EGM on 5 May 2023) claimed to be running - appears to be non-existent (i.e. not found to be on the records of ACRA).

As mentioned below, although the Board has written to Mr. Ng Yew Nam and requested for his response by 29 May 2023, he has refused, failed or neglected to do so. As such, it seems that Mr. Ng Yew Nam is not prepared to proceed in a cooperative manner with the Board.

In any event, it appears that there is no record found, and Mr. Ng Yew Nam has not provided any record of the existence, of a company named iTrue China Pte Ltd. This matter has been brought to Mr. Ng Yew Nam's attention by the Company's Announcement on 27 April 2023 as well as the Company's letter to him (as mentioned above). If that company exists, it calls into question why Mr. Ng Yew Nam did not take the straightforward approach of providing the documentary evidence to support his claim that he was and currently (at least up to the date of the "Circular to Shareholders" dated 3 April 2023) is the "Managing Director" of a company by this name. This further brings into question and raises serious doubts as to Mr. Ng Yew Nam's claim, as part of his credentials in seeking to be appointed as a Director of the Company, that he has run a company by that name "from 2019 to current".

- (iii) Whether the Board has investigated and concluded, whether Mr. Ng Yew Nam has been asked to answer, and whether there was any breach of governance in this matter, and whether the Board intends to bring this matter to the attention of the authorities.

It is clear to the Board that, by his refusal or failure or neglect to respond to the matters and queries raised by the Board, Mr. Ng Yew Nam - despite himself having asked for and expected the Board to be transparent and as cooperative as possible with him and the other requisitioning shareholders - is himself not transparent with regard to his intentions, and is not prepared to proceed in a cooperative manner with the Board.

The Board will take the appropriate actions, including to bring to the attention of the appropriate authorities, any action or omission as disclosed from such investigation and/or conclusion.

(2) Letter from the Company to a Substantial Shareholder, Mr. Ng Yew Nam, on matters arising from the Letter from a Shareholder and matters related to Mr. Ng Yew Nam

Therefore, the Company wrote to Mr. Ng Yew Nam its letter dated 22 May 2023, to enquire on certain pertinent matters and sought Mr. Ng Yew Nam's feedback as well as to afford him the opportunity to clarify or to dispel any point he may consider to be necessary. Mr. Ng Yew Nam was asked to respond to the Company by 29 May 2023. Mr. Ng Yew Nam was also reminded that as he had, in earlier correspondence through his lawyers, expected the Board to accede to his various requests, citing the need of good governance, he should likewise respond in the same spirit of good governance.

The Board regrets to inform that no reply has since been given by Mr. Ng Yew Nam to date. As specifically mentioned in the Company's letter to him dated 22 May 2023, since Mr. Ng Yew Nam has refused or failed or neglected to respond on the matters raised, the Company takes it that Mr. Ng Yew Nam is not prepared to proceed in a cooperative manner with the Board.

The Company's letter noted that Mr. Ng Yew Nam was one of the Proposed Candidates who were proposed by the requisitioning shareholders. Among the 5 Proposed Candidates, Mr. Ng Yew Nam and another substantial shareholder of the Company, Mr. Soh Pock Kheng (also known as "James Soh"), were proposed to be appointed as executive Directors if elected by shareholders at the Proposed EGM.

Among the main matters brought up by the Company in its letter dated 22 May 2023 to Mr. Ng Yew Nam were:

(a) **Credentials and Contributions of Mr. Ng Yew Nam and other candidates for directorships, and how they intend to manage or secure an exit offer**

Mr. Ng Yew Nam was asked:

- (i) What are the credentials and abilities of each of the 5 Proposed Candidates to manage the affairs of the Company as well as the potential Exit Offer?
- (ii) How can Mr. Ng Yew Nam and those other Proposed Candidates (if appointed as Directors) contribute better than the current Board of Directors (who have delivered a financial turnaround and an interim dividend)?
- (iii) How will Mr. Ng Yew Nam and those other Proposed Candidates (if appointed as Directors) manage or secure an Exit Offer?
- (iv) Since he claimed to be or to have run a company by the name of iTrue China Pte Ltd, Mr. Ng Yew Nam was asked to explain why there was no ACRA record of that company.
- (v) In the "Circular to Shareholders" dated 3 April 2023 (which the requisitioning shareholders had given a copy to the Company in connection with the failed attempt to call the Proposed EGM), they had promoted Mr. Ng Yew Nam as a suitable person to be appointed as an executive Director of ASTI and to "*be responsible for overseeing the [ASTI] Group's business operations, strategic planning and financial control*". They also stated that, "*With a track record of success in running a profitable company for over a decade, and a strong focus on quality, innovation, and customer satisfaction, Mr. Ng has established a reputation as a leader in the passive components manufacturing industry.*" In view of this, the Board asked Mr. Ng Yew Nam for the following:
 - (aa) The audited financial statements for the last 5 financial years of the "*profitable company for over a decade*" which Mr. Ng Yew Nam claimed to have a track record in running. If any of those financial statements is not audited, to explain why and also how that would contribute to Mr. Ng Yew Nam's claim that he is qualified to oversee the business operations, strategic planning and financial control of the ASTI Group.
 - (bb) Bearing in mind that the ASTI Group has a turnover of nearly S\$60M with over 3,000 employees, the Board would like to review certain comparable factors – Mr. Ng Yew Nam was asked (i) what is the average annual turnover (over the past 5 financial years) of the "*profitable company*" he had run, and (ii) the approximate number of its employees (over the past 5 financial years).

(vi) As the Board had also been unable to verify (including via a Google search) Mr. Ng Yew Nam's claim in the "Circular to Shareholders" that he has "*established a reputation as a leader in passive components manufacturing industry*", the Board requested Mr. Ng Yew Nam to justify this claim, and provide documentary support.

(b) **Mr. Ng Yew Nam's acquisition of shares in the Company and his association with other requisitioning shareholders as well as other persons in relation to his interests in shares in the Company**

Mr. Ng Yew Nam appears to have purchased or acquired shares in the Company from other shareholders at the time when the trading of shares in the Company remained suspended. Such purchase or acquisition were probably made in or around February 2023. Therefore, the Board raised with Mr. Ng Yew Nam the following:

(i) Besides the persons referred to in Mr. Ng Yew Nam's notifications of substantial shareholding, who are the shareholder(s) from whom he purchased/acquired any other shares in the Company? What was/were the respective date(s) of each such purchase/acquisition? How many shares were so purchased/acquired from each such person(s)? Are there any other shareholders who have formally or informally accepted Mr. Ng Yew Nam's offer but have not entered into any written agreement with him?

(ii) The Board notes that for the persons Mr. Ng Yew Nam had notified the Company of his interest in the shares he had purchased/acquired, there was no change in the name(s) under which those shares had been registered. Has any such purchase/acquisition been paid for and completed (except only in respect of the re-registration of the holding of those shares to Mr. Ng Yew Nam's name or that of his nominee)?

(iii) Did Mr. Ng Yew Nam procure or arrange for any purchase/acquisition on his behalf of shares in the Company to be made in the name of any other person, or as his direct or indirect nominee or otherwise directly or indirectly on trust for him?

(iv) Whether any of the following persons holding shares in the Company which are the subject of any agreement or other arrangement where Mr. Ng Yew Nam, had purchased or acquired (or intend to purchase or acquire) those shares, or otherwise such person is holding those shares on trust for Mr. Ng Yew Nam:

- (aa) Lim Chee San
- (bb) Toh Cheng Hai
- (cc) Ng Kok Hian.

(v) Does Mr. Ng Yew Nam have in his possession or control, or access to, any shareholding list of the Company (apart from the shareholding list as at 22 July 2022, which was collected by Mr. Ng Yew Nam's lawyer on Friday, 12 May 2023)? If so, please stipulate the date(s) of such shareholding list(s). The Board also noted that this question has already been raised with Mr. Ng Yew Nam several times, and so far no clear answer has been received.

(vi) If Mr. Ng Yew Nam had possession or control of, or access to, any such shareholding list(s) - was any of the information contained in such shareholding list(s) (apart from, as mentioned, the shareholding list as at 22 July 2022) used in breach of the Personal Data Protection Act 2012; if not, what precautions were put in place to prevent or avoid such breach?

(c) **Whether Mr. Ng Yew Nam is involved with any potential Exit Offer**

- (i) As Mr. Ng Yew Nam had worked closely with the other person who was proposed to have been appointed as an executive Director if they had been elected at the Proposed EGM, Mr. Soh Pock Kheng (also known as “James Soh”), in respect of a previous potential Exit Offer led by James Soh, whether Mr. Ng Yew Nam, solely or together with James Soh or any other(s), whether or not using a corporate vehicle, was intending to make an Exit Offer? If Mr. Ng Yew Nam had such intention, the Board asked him to confirm and to provide an outline of such intentions, so as to take into account Mr. Ng Yew Nam’s intentions in relation to any Exit Offer the Board is informed of.
- (ii) The Board also sought Mr. Ng Yew Nam’s confirmation as to whether anyone has approached him in private to acquire his shares as part of any Exit Offer or to be part of any consortium in relation to any Exit Offer. Mr. Ng Yew Nam was also asked whether, in either case, he is aware of the possible exit pricing?

In view of Mr. Ng Yew Nam’s refusal or failure or neglect to respond to these queries and requests, it is clear to the Board that:

- (A) Serious questions arise and doubts are cast on a number of aspects of Mr. Ng Yew Nam’s claims made in his quest to call the Proposed EGM and to have appointed the 5 Proposed Candidates (including himself) to be Directors of the Company.***
- (B) Questions are also raised in relation to the credentials of Mr. Ng Yew Nam to be appointed as a Director followed by his appointment as an executive Director who has responsibilities to manage the Company as well as any potential Exit Offer.***
- (C) Mr. Ng Yew Nam is not transparent with his intentions, and is not prepared to proceed in a cooperative manner with the Board.***

BY ORDER OF THE BOARD

Prof Dr. Kriengsak Chareonwongsak
Non-Executive Chairman
1 June 2023