



## ASTI Holdings Limited

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

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### RESPONSE TO SGX QUERIES

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The board of directors (the "Board") of ASTI Holdings Limited (the "Company" and together with its subsidiaries, collectively the "Group") would like to provide the following information in response to the queries from the Singapore Exchange Securities Trading Limited ("SGX") in respect of the Company's response to SGX queries on 28 August 2023 in relation to the Company's FY2021 Annual Report.

#### **SGX Query 1**

In response to Query 1 on the effectiveness of the Company's internal controls in safeguarding its assets and shareholders' value noting that the Company's Acting CEO and CFO are the same person, the Company submitted that it has its own Corporate Governance Policy Manual which requires 2 signatories to approve any payment transaction. Please disclose the identities of these 2 signatories.

#### **Response to SGX Query 1**

The signatories are Chairman of the Board, Chairman of Audit Committee, Acting CEO and CFO, and Financial Controller.

#### **SGX Query 2**

The Company responded in Query 1 that the Financial Controller ("FC") and Acting CEO provided a reasonable assurance of the integrity and effective of the Group's internal control to the AC. The Company had not disclosed the appointment of an FC. The Company's FY2021 AR also did not disclose FC as a key management on page 8 of its FY201 AR. Please disclose the identity, track record and experience of the FC who provided the confirmation to the AC and when he was appointed.

#### **Response to SGX Query 2**

Mr Koh Kok Keong joined ASTI Holdings Limited in 2019 and he is a Chartered Accountant, a non-practising member of the Institute of Singapore Chartered Accountants and a CPA Australia member of CPA Australia.

With more than 20 years' experience working in various companies in the areas of accountancy and financial management, implementation of SAP ERP System, risks assessment and evaluations of merger and acquisitions as well as audit and cost controls and management. He is familiar with the compliance and reporting processes required by the Stock Exchange of Singapore, having previously worked in public-listed companies. With his extensive experience in the various aspects of finance, accountancy and auditing, he has a spectrum of comprehensive knowledge enabling him to manage organisations in both the public and private domains.

### SGX Query 3

In relation to the Company's response to Query 2:

- (a) Please disclose the nature of the interest income of S\$192,000, the identity of the related person who had transacted with the Company, whether the amount had already been paid to the Company, the amount of loan extended to this related party, when the loan was extended and the use of proceeds from the loan;
- (b) Please disclose the nature of the "corporate cost recovery" of S\$170,000, the identity of the related person who had transacted with the Company and how the costs were determined; and
- (c) The Company disclosed that S\$435k was paid to Mr. James Soh Pock Kheng, a Key Management Personnel, an employee and a substantial shareholder of 13.27% before he was retrenched in November 2021. Please disclose whether his appointment and cessation were announced under Listing Rules 704(7) or 704(9). If not, to disclose why the appointment and/or cessation of a Key Management Personnel and of a substantial shareholder was not announced, where applicable. Please also disclose when he was employed, his designation and the period of his employment.

### Response to SGX Query 3

- (a) The interest income was derived from the interest-bearing loans ("**ASTI Loans**") extended to Advanced Systems Automation Limited ("**ASA**"). The interest charged of S\$192,000 and the ASTI Loans are still outstanding as at 30 June 2023. The Company has from FY2007 to FY2018 entered into various ASTI Loans. ASA was previously unable to obtain the necessary bank financing due to the lack of assets that can be used as collateral and its poor financial results. ASA has been relying substantially on the ASTI Loans for financing its general working capital requirement and to meet its current liabilities as and when they fall due. This has allowed ASA to continue its operations with minimal disruption.
- (b) The corporate cost recovery relates to the ASTI Corporate Support Services rendered to ASA which mainly comprise of back-room and administrative supporting, including the following: -
- i) book-keeping, accounting and finance services including managing existing and fresh bank financing and credit facilities as well as consultation on external audit and tax matters,
  - ii) IT accounting software, emails and data servers, IT support and website maintenance;
  - iii) routine legal matters for operational, compliance and administrative functions;
  - iv) consultation on and assistance in business development areas including in relation to the acquisition of new product agencies and technologies, seeking out technology and potential joint venture partners and in carrying out feasibility studies in connection with proposed new investments and joint ventures;
  - v) corporate planning work for the advancement of the Group;
  - vi) provision of human resource, including training and recruitment, administrative and management of information systems support;
  - vii) provision of corporate affairs and communication support;
  - viii) provision of patent administration and maintenance;
  - ix) secretarial and registration and other related services; and
  - x) obtaining information and liaising with the relevant authorities on any relevant government grants, or awards which shall include assisting in the applications.

Pursuant to the ASTI Corporate Support Services Agreement dated 1 January 2019, the Company is entitled to charge ASA up to S\$600,000 per annum (the “**ASTI Corporate Support Services Payments**”). The amount of S\$600,000 per annum is the maximum amount that ASA will make for the ASTI Corporate Support Services Payments, which had been agreed upon between the Company and ASA. It was arrived at, after taking into consideration, the amount charged for the ASTI Corporate Support Services Payments for previous years, the staff costs from the above services, costs of using the office equipment and data servers and licensing fees for IT accounting and computer software and any other relevant services that may be required by ASA, which are attributable to ASA Group. The ASTI Corporate Support Services had reduced from S\$400,000 in FY2020 to S\$170,000 in FY2021 due to lower staff cost incurred as a result of staff attrition and retrenchment.

- (c) Mr James Soh Pock Kheng (“**Mr Soh**”) joined the Group in 2019 as Vice President, Business Development, International Market and was retrenched in 2021. The Company did not make any announcement on the appointment and cessation of Mr Soh’s employment as he is not a Director, Chief Executive Officer, Chief Operating Officer or General Manager. In addition, he is also not a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

**By Order of the Board**  
**ASTI Holdings Limited**

Prof Dr. Kriengsak Chareonwongsak  
Non-Executive Chairman  
31 August 2023