



ASTI Assesses FY2022 Audited Financial Statements of Subsidiary; Board to Engage Potential Exit Offerors After Notice of Cessation of Exit Offer

Singapore, 25 October 2023 – ASTI Holdings (“ASTI” or the “Company”) said today it has assessed the potential impact on the value of battery maker EoCell, Inc. (“EoCell”) following the release of the audited financial statements for the financial year ended 31 December 2022 (“FY2022”) of its 40.98%-held listed subsidiary, Dragon International Limited (“DGI”).

The Board of Directors (“the Board”) also said it will engage with the backers of a Potential Exit Offer which informed the Company late on Monday night that they will not pursue their Potential Exit Offer of the Company. Meanwhile, ASTI will also seek other potential exit offerors.

The Board noted that the disclaimer of opinion issued in DGI’s FY2022 audited financial statements only relates to the going concern assumption, and not the valuation of EoCell, an associate company of DGI. The battery technology company was the subject of valuation issues that led to delays in the audit and release of the FY2021 audited financial statements of the Company.

“The Board anticipates that there should be no significant factors which might affect the audit process and signing off of the audited financial statements of the Company for FY2022,” ASTI said.

SGX Mainboard-listed ASTI released the audited statements for FY2021 on 16 August 2023. Although preparatory work has been put in place, the formal audit process for the signing off of the audited FY2022 financial statements has yet to commence, pending the appointment of Auditor by the shareholders of the Company.

Ernst & Young LLP will retire as the Auditor of the Company at the conclusion of ASTI’s FY2021 Annual General Meeting (“AGM”). The first portion of the AGM was held on 31 August 2023 and has been adjourned pending the Court’s decision on the Legal Proceedings involving claims by a group of shareholders that they had been appointed as Directors.

However, at the first portion of the AGM, 52.27% of shareholders voted against the appointment of Messrs RT LLP (“RT LLP”) as an incoming independent Auditor (versus 47.73% who voted for). This has left ASTI with no Auditor to conduct the audit and to sign off on its audited accounts for FY2022. Had RT LLP been appointed, ASTI’s audited statements for FY2022 would have been finalised and signed off reasonably shortly thereafter.

As directed by the Singapore High Court, only 2 of 8 original resolutions were voted on at the 31 August 2023 portion of the AGM, with the remaining resolutions to be considered and voted on when the AGM is reconvened. On 17 November 2023, the Court will continue to hear 2 legal cases relating to a second attempt by a group of shareholders to remove all 5 incumbent ASTI directors and appoint 5 new directors.

ASTI also announced that it had received late on Monday night a notice from Prospera Alliance Pte. Ltd. (“Prospera”) and the consortium backing it (the “Potential Offeror Consortium”) that they have elected not to pursue a potential pre-conditional voluntary general cash exit offer for shares in the Company.

Their decision was made in view of the fact that the Company's audited FY2022 financial statements had not been prepared by 30 September 2023 and that it was unclear when these statements would be issued, ASTI said.

Pending the Court's directions and taking into account the 31 August 2023 shareholder vote not to appoint RT LLP as Auditor, ASTI, at this time, is not in a position to write to Prospera and the Potential Offeror Consortium as to when the audited FY2022 financial statements can be made available. ASTI intends to seek shareholder approval as soon as permissible to appoint the Auditor. If this is approved, the Board is confident that the FY2022 audit will be finalised and signed off reasonably soon thereafter.

Meanwhile, the Board will seek to engage with Prospera and the Potential Offeror Consortium to clarify their decision not to pursue the Potential Exit Offer, while also seeking other potential Exit Offers, ASTI said.

ASTI had been placed on the SGX-ST Watch-list after recording 3 consecutive years of losses. Subsequent to FY2021, ASTI carried out a major restructuring led by Acting CEO Mr Anthony Loh. It involved retrenchments at ASTI and DGI, ceasing loss-making units, downsizing corporate and administrative functions and relocating to a smaller office.

These strenuous efforts during the pandemic helped ASTI to record an unaudited profit after tax of S\$3.0 million for FY2022 which sharply reversed the audited loss after tax of S\$11.8 million in FY2021. In May 2023, ASTI distributed a 0.45 Singapore cent tax-exempt one-tier interim dividend for FY2022.

However, ASTI could not exit the SGX-ST Watch-list by the 5 June 2022 deadline as its 6-month average daily market capitalisation fell short of the S\$40 million threshold. After several attempts to extend the deadline were rejected, ASTI's shares were suspended from trading from 5 July 2022 pending the completion of an exit offer.

"The Board thanks shareholders for their patience, and will make further announcements on any material development," ASTI said.

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