

ASTI Says Fresh Attempt to Remove 5 Directors Is Invalid; Urges Shareholders to Attend FY2021 AGM on 31 August Instead

- **Company's lawyers have advised that 4 shareholders seeking to hold an EGM on 22 August had breached Company's Constitution**
- **ASTI accused the requisitioners of 'usurping the right, power and entitlement of its directors to scrutinize, attend and conduct the proposed EGM (assuming that it was otherwise properly called)'**
- **ASTI intends to release its audited FY2021 results this Wednesday and hold AGM on 31 August, which will facilitate the progress of a Potential all-cash Exit Offer already proposed by a consortium**
- **Company is also asking SIAS to hold a dialogue next week that will include all shareholders, including requisitioners and representatives of the Potential Offeror**

Singapore, 14 August 2023 – ASTI Holdings ("ASTI" or the "Company") said today that a second attempt to call for an extraordinary general meeting ("EGM") to replace all 5 current directors, as well as the EGM itself, are invalid. Instead, it urged shareholders to ignore the invalid EGM and to attend the Company's Annual General Meeting for its FY2021 ("FY2021 AGM") scheduled for 31 August 2023.

Acting on the advice of its lawyers, ASTI said 4 requisitioners seeking to hold an EGM on 22 August 2023 had breached Company's constitution.

"The Requisitioning Shareholders are usurping the rights, powers and entitlements of the Board to scrutinize, attend and conduct the Proposed EGM (assuming it was otherwise properly held), and have made and continue to make it impossible for the Proposed EGM (assuming that it was otherwise properly held) to be actually, properly and validly held and conducted by the Board in all respects in compliance with the Constitution and such laws," ASTI said.

ASTI also pointed out that the requisitioners have failed and/or neglected, or deliberately and recklessly without regard to their duty to give such Notice of the EGM to "all Members" as required by the Constitution. Further, no notice was given to the Auditor, which is also a requirement of the Constitution.

The second attempt to overhaul ASTI's board is taking place after a consortium, Prospera Alliance Pte. Ltd. ("Prospera"), has expressed genuine interest to make a pre-conditional voluntary general cash offer ("Potential Exit Offer") for the Company. The consortium comprises Stock Exchange of Thailand-listed Capital Engineering Network Public Company Limited ("CEN") and a substantial ASTI shareholder, Mr Heah Theare Haw.

Prospera, whose offer ASTI believes remains "the only and most advanced exit offer available at the moment", has said it is deeply concerned about the proposal to remove all current directors, and that it will re-assess the viability of implementing the exit offer.

As such, ASTI said it will continue to work with Prospera to address its concerns and to ensure amicable communications, so as to reach a viable solution in the best interest of the Company and for the benefit of all shareholders.

The 4 – Mr Ng Yew Nam (“Mr Ng”), Mr Lim Chee San, Mr Toh Cheng Hai and Mr Ng Kok Hian – had led an attempt in April 2023 – later deemed invalid – to call for an EGM to overhaul ASTI’s board. In their second attempted EGM, being called under section 177 of the Companies Act, they seek to appoint 5 new directors including Mr Ng as Executive Director.

Among the 5 current directors they seek to remove is a CEN-nominated director, Mr Theerachai Leenabanchong. Prospera has informed ASTI that it is concerned whether this indicates that the new board is not receptive to the Potential Offer.

ASTI said that the requisitioners, in breach of the Company’s Constitution, “clearly and unequivocally are usurping the right, power and entitlement” of the Board of Directors to conduct the Proposed EGM (assuming that it was otherwise properly held) in a proper manner.

Hence, shareholders should ignore the invalid 22 August 2023 EGM, ASTI said. To minimise disruptions caused by the requisitioners, the Company urged shareholders to focus on the FY2021 AGM 9 days later when they will be able to consider on the audited results, and vote on the election or re-election of directors and the appointment of the auditor for FY2022.

ASTI intends to release the FY2021 results by 16 August 2023 and hold the FY2021 AGM on 31 August 2023. This long-awaited AGM will allow ASTI to comply with and satisfy the requirements of the Second Notice of Compliance issued by the Singapore Exchange Regulation on 21 July 2023.

To address concerns of shareholders and to maintain a spirit of openness and discussion, ASTI has written today to the Securities Investors Association (Singapore) (“SIAS”) to facilitate and moderate a Shareholders’ Dialogue early next week, ahead of the FY2021 AGM

ASTI said it intends to invite all shareholders, the requisitioners as well as representatives of the Potential Offeror to the dialogue. “We have been urging a spirit of open communications among all shareholders and with the Potential Offeror. Instead, the requisitioners have so far rebuffed our appeals with a response that they prefer legal correspondence,” ASTI said.

“ASTI has already achieved a financial turnaround in the first half of FY2022. The presentation of the FY2021 audited results to shareholders on 31 August 2023 will facilitate the progress of the Potential Exit Offer which can unlock value for all shareholders. Hence, we continue to seek open dialogue with all parties concerned,” the Company said.

The Potential Offer is subject to, amongst others, approvals being obtained from the Securities Industry Council (“SIC”) of Singapore. ASTI has been informed that the Potential Offeror has submitted an application to the SIC for the necessary approvals.

ASTI recorded an unaudited profit after tax of S\$3.0 million for FY2022 which reversed a pre-tax loss of S\$8.1 million in FY2021. However, it could not exit the SGX-ST Watch-list by the 5 June 2022 deadline as its six-month average daily market capitalisation was short of the S\$40 million threshold. After several attempts to extend the deadline were rejected, ASTI’s shares were suspended from 5 July 2022 pending the completion of an exit offer.

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