ASTI Holdings Limited

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

RESPONSE TO SGX QUERIES

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 announcements filed on 22 December 2021 and 30 December 2021.

SGX Query 1

In the Company' announcement on 30 December 2021, it disclosed that "In FY2020, the Company had previously only paid Dato' Loh Soon Gnee ("**Dato' Loh**") one month of AWS although his employment contract clearly stipulated that he is entitled to two months of AWS. As a result of this clerical error, the total amount of remuneration paid to Dato' Loh was in accordance with the remuneration table in the Company's annual report for the year ended 31 December 2020 which is stated to be $1,294,000". In addition, it disclosed that "Dato' Loh's employment contract dated 8 August 2020 does contain a clause on termination benefits, and due to an inadvertent oversight, the Company has erred in not updating the same in the CG Report." In light of these errors disclosed, please elaborate on the processes and internal controls in place for the Board to ensure that remuneration and employment matters are fully and accurately disclosed in the Company's Annual Report.

Response to SGX Query 1

The error occurred because the Company's Finance Department previously depended on the Human Resources ("**HR**") department to provide accurate remuneration information of all the Key Management Personnel ("**KMP**") to be disclosed in the Company's annual report.

Moving forward, the following internal processes will also be in place to ensure the accuracy of the remuneration figures disclosed in each annual report:

1. The HR personnel will tabulate the Compensation for all Key Management Personnel ("**KMP**") and this will then be forwarded to the Chief Financial Officer ("CFO") & Corporate Secretarial Executive;

2. CFO will review the KMP's compensation against the relevant employment contracts to ensure accuracy of information;

3. The Corporate Secretarial Executive will prepare the declaration forms ("**Declaration** Form") for all KMPs;

4. The KMPs will review and confirm the accuracy of the information presented by signing these Declaration Forms;

5. Once the information in the Declaration Forms have been confirmed by the KMPs, the corporate governance report ("**CG Report**") will be updated accordingly to reflect the same; and

6. The CG Report will be circulated to the Board for its review and approval before the Annual Report is finalized.

SGX Query 2

Please elaborate when the Board became aware of the discrepancies in the amounts and information relating to remuneration of the Board and CEO between the disclosure in the annual report and the employment contract. Please also disclose why the company did not provide a disclosure of the discrepancies prior to the announcement on 30 December 2021.

Response to SGX Query 2

The Board was only aware of the discrepancies between the disclosure in the annual report and the employment contract on 23 December 2021 after being highlighted to the article by Professor Mak Yuen Teen. After discussions, the Board had decided to make clarification announcement on 30 December 2021.

SGX Query 3

Please also disclose and explain the Board's views on whether the internal controls in place are adequate and effective in accordance with Listing Rule 719 and the basis for their view, in light of the discrepancies noted. Please substantiate your views.

Response to SGX Query 3

The Board is of the opinion that the internal controls are adequate and effective. The discrepancy noted was a result of clerical error and inadvertent oversight by HR on the clauses in Dato' Loh's latest employment contract.

Going forward, the Company's Chief Financial Officer will take over the independent review function for the KMP's compensation against the relevant employment contracts to ensure accuracy of information as the Company's Group Admin Officer was retrenched on 30 November 2021.

SGX Query 4

Please disclose when the Board, in particular the Remuneration Committee, became aware of the termination benefits in the employment contract of Dato Loh. Please also disclose who had signed and who had approved the termination compensation and the date when this was approved by the Remuneration Committee and the Board.

Response to SGX Query 4

The remuneration Committee ("**RC**") had discussed on a few occasions and finally approved the structure of Dato' Loh's current employment contract which contain the severance payments during the RC Meeting held on 14 August 2020. The Board ratified and approved the RC's recommendation on the same day**.**

During the RC Meeting on 20 December 2021, the RC Chairman (Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi) and the RC Members (Dr. Daniel Yeoh Ghee Chong, Dr. Kriengsak Chareonwongsak and Dato' Ahmad Rasidi Bin Hazizi) had deliberated on the termination compensation structure of Dato' Loh and Dato' Loh's last date of service with the Group. After much deliberation, the RC finally come to an agreement and recommended to the Board to pay Dato' Loh an aggregate amount of S$1,378,270. The Board (which Dato' Loh abstained from voting) had accepted the RC's recommendation and approved the termination compensation to be paid to Dato' Loh. All the RC Members had approved and signed on to the termination compensation as discussed on the RC/Board Meeting held 20 December 2021.

By Order of the Board

DR DANIEL YEOH GHEE CHONG
Lead Independent Director
ASTI Holdings Limited
4 January 2022