ASTI Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 199901514C)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors (the "**Board**") of ASTI Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its audited financial statements for the financial year ended 31 December 2020 ("**FY2020**") in the Group's Annual Report 2020 (the "**Audited Financial Statements**") and the announcement on the Unaudited Financial Statements and Dividend Announcement for FY2020 made on 1 March 2021 (the "**Unaudited Financial Statements**").

The Board wishes to announce that subsequent to the release of the Unaudited Financial Statement, the external auditor has proposed certain adjustments and reclassifications following the finalisation of the audit for FY2020.

The material variance between the Group's Audited Financial Statements and the Unaudited Financial Statements is set out below:

Balance Sheet of the Group as at 31 December 2020

	Audited Financial Statements	Unaudited Financial Statements	Difference
	$'000	$'000	$'000
Non-Current Assets			
Property, plant and equipment	20,180	20,021	159
Associates	22,478	21,881	597
Deferred tax assets	58	198	(140)
Current Assets			
Due from related company	3,070	4,041	(971)
Trade receivables	10,663	10,339	324
Current Liabilities			
Trade payables and accruals	11,556	11,985	(429)
Other payables	7,039	7,311	(272)

The variances were caused by:

- The adjustment on disposal of property, plant and equipment arising from intercompany sales to related companies;
- The reversal of impairment loss on investment in associates and adjustment on higher share of results losses from associates;
- The reclassification from deferred tax assets to income tax expenses;
- The adjustment on allowance on amounts due from related company;
- The adjustment of revenue recognition was due to cut-off adjustment;
- The reversal of bonus accrual; and
- The adjustment on payables written-off.

Income Statement of the Group as at 31 December 2020

	Audited Financial Statements	Unaudited Financial Statements	Difference
	$'000	$'000	$'000
Revenue	57,046	56,721	325
Other income	4,155	3,725	430
Administrative expenses	(15,964)	(16,402)	438
Other income/(expenses), net	4,633	2,319	2,314
Share of results of associates, net of tax	(6,395)	(3,702)	(2,693)
Income tax expense	(2,108)	(1,979)	(129)

The variances were caused by:

- The adjustment of revenue recognition was due to cut-off adjustment;
- The adjustment on payables written-off and others;
- The reversal of bonus accrual;
- The reversal of impairment loss on investment in associates;
- The adjustment on higher share of results losses from associates; and
- The reclassification from deferred tax assets to income tax expenses.

Cash Flow Statement of the Group as at 31 December 2020

	Audited Financial Statements	Unaudited Financial Statements	Difference
	$'000	$'000	$'000
Allowance on amounts due from related company	1,011	–	1,011 (1)
Impairment loss on investment of associates	–	3,310	(3,310) (2)
Written-off advance from customer	419	–	419 (3)
Proceeds from disposal of property, plant and equipment	1,876	3,887	(2,011) (4)
Proceeds from disposal of assets held for sale	2,281	–	2,281 (4)
Purchase of property, plant and equipment	(3,483)	(5,614)	2,131 (5)

The variances were caused by:

1. The adjustment on allowance on amounts due from related company;
2. The reversal of impairment loss on investment in associates;
3. The adjustment on written-off advance from customer;
4. The reclassification of partial proceeds from disposal of property, plant and equipment to proceeds from disposal of assets held for sale; and
5. The difference in purchase of property, plant and equipment was due to net-off other payables against cash payments and others.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
ASTI Holdings Limited
14 May 2021