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21 July 2023

**Board of Directors**

ASTI Holdings  
Limited 33 Ubi Ave 3  
#08-69 Vertex  
Singapore 408868

Dear Sirs

**ASTI HOLDINGS LIMITED (THE “COMPANY”)  
SECOND NOTICE OF COMPLIANCE (THE “SECOND NOC”)**

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1. The Exchange refers to the following announcements made by the Company:
  - (a) announcement dated 1 April 2022 (Announcement Reference No.: SG220401OTHRPVDP titled “Application for Extension of Time to Hold AGM”) (“**1 April 2022 Announcement**”);
  - (b) announcement dated 6 June 2022 (Announcement Reference No.: SG220606OTHRZX1J titled “Notification of Delisting”) (the “**Delisting Notice**”);
  - (c) announcement dated 25 July 2022 (Announcement Reference No.: SG220725OTHRNOYV titled “Approval for Further Extension of Time to Hold the Co’s AGM for FY2021”);
  - (d) announcement dated 27 April 2023 (Announcement Reference No.: SG230427OTHRZN60 titled “Regulatory Actions By SGX: Notice of Compliance”) (the “**First NOC**”);
  - (e) announcement dated 28 April 2023 (Announcement Reference No.: SG230428OTHRM5JS titled “Application for Extension of Time to Hold the Company’s AGM For FY2022”) (the “**Response to NOC**”);
  - (f) announcement dated 14 May 2023 (Announcement Reference No.: SG230514OTHR0JLO titled “Receipt of a Non-Binding LOI in Relation to a Possible Acqn of Shares in the Co.”) (the “**14 May 2023 Announcement**”);
  - (g) announcement dated 14 July 2023 (Announcement Reference No.: SG230714OTHRHR07 titled “Response to SGX Queries”) (the “**Response to SGX Queries**”); and

- (h) announcement dated 18 July 2023 (Announcement Reference No.: SG230718OTHR5V86 titled “Response to SGX Queries”) (the “**Follow-up Response to SGX Queries**”).
2. Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the First NOC.
  3. In the 1 April 2022 Announcement, the Company announced that it has applied to the Exchange for an extension of time to hold its FY2021 AGM (“**EOT Application**”). The reasons submitted by the Company for the EOT Application is primarily attributable to the impairment assessment for the Company’s 40% equity interest in EoCell Limited (“**EoCell Impairment Assessment**”). On 22 July 2022, the Exchange granted an extension of time for the Company to hold its FY2021 AGM, subject to the Condition (i.e. the Company convening the FY2021 AGM by 7 September 2022).
  4. In the First NOC, the Exchange noted the Company’s non-compliance with the Condition, as well as its failure to convene its FY2022 AGM, and directed the Company to convene the FY2021 AGM and FY2022 AGM by 31 July 2023. Following the receipt of the First NOC, in the Response to NOC, the Company stated that that it would: (a) issue the EoCell Impairment Assessment by 15 May 2023; (b) issue its Annual Report and Notice of FY2021 AGM by 26 June 2023 and 27 June 2023, respectively; and (c) convene its FY2021 AGM by 13 July 2023.
  5. To-date, the Exchange notes that the Company has failed to adhere to the timelines communicated in the Response to NOC, as well as to comply with the Exchange’s directives in the First NOC. Pursuant to Rule 1405(4) of the Mainboard Rules, the Company’s failure to comply with the requirements imposed by the Exchange in the First NOC is deemed to be a contravention of the Mainboard Rules.
  6. The Company’s attention is drawn to listing rules where the failure of a director or executive officer to extend co-operation to the Exchange on regulatory matters would be a breach of the listing rules. The directors or executive officers would be subject to sanctions pursuant to Rule 1405(1) of the Mainboard Rules.

#### **Further Developments Subsequent to the First NOC**

7. The Exchange notes that, subsequent to the First NOC, in the 14 May 2023 Announcement, the Company announced that it has received a non-binding letter of intent from an undisclosed consortium (“**Potential Offeror**”) on a possible pre-conditional voluntary general cash offer for the shares of the Company (“**Possible Exit Offer**”). The Company also stated that the Possible Exit Offer is subject to, *inter alia*, (a) the audited financial statements of the Company for FY2021 (“**FY2021 FS**”) being delivered to the Potential Offeror by 23 June 2023; and (b) a letter delivered from the auditors of the Company that the audited financial statements for FY2022 will be prepared and issued by 30 September 2023. Subsequently, in the Follow-up Response to SGX Queries, the Company indicated that the Potential Offeror is agreeable to extending the deadline for the delivery of the audited FY2021 FS to 15 August 2023.

8. In the Response to SGX Queries, on the progress made by the Company towards the conduct of the FY2021 AGM and the FY2022 AGM, the Company stated that it is working on addressing queries and providing supporting documentation, and if these cannot be resolved, it may lead to a qualified opinion for the FY2021 FS; a qualified opinion may result in the Potential Offeror retracting the Possible Exit Offer. The Exchange also notes that the Company's existing external auditors, Ernst & Young LLP will not be seeking reappointment for FY2022, and that the Company intends to seek shareholders' approval to appoint a new auditor ("**New Auditor**") for FY2022 at the FY2021 AGM.

### Exchange's Directives

9. As stated in the First NOC, holding an AGM is important for issuers to, inter alia, present their financial performance to shareholders, address relevant queries from shareholders, and allow shareholders to vote on matters concerning the issuers' affairs, including but not limited to the appointment and/or re-election of Directors. The Company has made no progress to-date, except for a LOI to consider an exit offer for the purpose of complying with the Exchange's delisting directive.
10. Not providing an avenue for shareholders to engage the Board on the state of an exit offer for the Company's shareholders, as well as update on the affairs of the Company, including the reasons for the protracted delay in holding the AGM raises concerns on the conduct of the Directors of the Company. Shareholders must be provided the opportunity to communicate and engage the Board on any concerns that they have in the Company, particularly so given the failure to hold AGM in the past 2 years. The Exchange considers that it is even more critical for the Company to convene a general meeting to address shareholders' concerns and queries.
11. Further, the Exchange notes that at least one Director, Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi, was last submitted for re-election by shareholders in 2019. Pursuant to Rule 720(5) of the Mainboard Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three years. The Exchange also notes that three Directors, Mr. Anthony Loh Sin Hock, Mr. Charlie Jangvijitkul and Mr. Theerachai Leenabanchong, were appointed only after the Last AGM, and have not been subject to re-appointment by shareholders.
12. Pursuant to Rule 1405 of the Mainboard Rules, which states that the Exchange may exercise administrative powers for the purposes of ensuring that the market is fair, orderly and transparent, the Exchange requires the Company to hold a physical extraordinary general meeting ("**EGM**") in Singapore **by 31 August 2023**. Minimally, the EGM should be held to table resolutions to:
  - (a) re-appoint any Director that has not been submitted for re-appointment within the last three years, in compliance with Rule 720(5) of the Mainboard Rules; and
  - (b) appoint a New Auditor pursuant to Rule 712(3) of the Mainboard Rules to minimise any further delay to the preparation of the audited financial statements for FY2022 ("**FY2022 FS**") and the conduct of the FY2022 AGM.

For good corporate governance, the Company should also subject the remaining Directors that were appointed after the Last AGM for re-appointment by shareholders.

The EGM must afford shareholders an open forum to ask questions, including those surrounding the EoCell Impairment Assessment, the **protracted** delay of the audit of its FY2021 FS and FY2022 FS (and consequently, the delay of the convening of the FY2021 AGM and FY2022 AGM), the viability of the Potential Exit Offer **and** the probability of any exit offer to be made to shareholders in compliance with Rule 1309 of the Mainboard Rules, **as required in the Delisting Notice**.

13. In addition, pursuant to Rules 1405(1)(d) and (k) of the Mainboard Rules, the Board is required to seek the Exchange's approval in the event it wishes to appoint new Directors to the Board if the new Directors have not been elected by shareholders through a general meeting.
14. Pursuant to Rule 1405(4) of the Mainboard Rules, failure to comply with the requirements imposed by the Exchange will be deemed to be a further contravention of the Mainboard Rules.
15. Please note that compliance with this Second NOC does not constitute a waiver of any kind, and the Exchange reserves the right to take disciplinary action against the Company and/or any relevant persons (which includes the Company and its Directors) for breaches of the Mainboard Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully,

June Sim  
Managing Director  
Head, Listing Compliance  
Regulation