
**SGX QUERY TO
QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

1. The board of directors (the “Board” or the “Directors”) of ASTI Holdings Limited (the “Company”) refers to the Company’s announcement dated 1st March 2021 (the “Announcement”).
2. SGX-ST has queried the Company on the Announcement and its query is set out verbatim below:

“SGX: We refer to the above announcement dated 1 March 2021.

Pursuant to Listing Rule 1313(2), please announce via SGXNet by 3 March 2021, the progress made in meeting the exit criteria of the watch-list.”

Company’s Response

3. With the objective of meeting the exit criteria of the watch-list, the Company has taken the following steps to improve its revenue and profitability by:
 - (a) Undertaken cost cutting measures including
 - (i) Progressive salary reduction for senior and mid-level management within the group;
 - (ii) Frozen salary increments, further hiring in the corporate office and stopped bonus payouts; and
 - (iii) Consolidating corporate, human resource and administrative operations into smaller office area and terminating surplus leases
 - (b) Ceased operations of loss-making divisions within the Group and;
 - (c) Entering into the “Proposed Acquisition Of 100% Shareholding Interest In Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd. (collectively, the “Sale Companies”) announced by the Company on 27th February on SGX-Net with one of our associated company, namely Advanced Systems Automation Limited (“ASA”).
4. ASA has already completed the disposal of its loss making subsidiaries and reduced significantly the share of losses contributed by the associate to the Group.



5. ASA has stated that upon completion of the Proposed Acquisition, it would become a cash company and would be exploring acquisitions with potential third parties that may result in a reverse takeover of the company. If the RTO is completed, the ASTI may dispose of its remaining stake in ASA and the Company would not have to equity account for any loss from ASA going forward.
6. The Company is also actively looking for a 3rd party offeror for our listed subsidiary Dragon Group International Limited ("Dragon Group") which is presently facing delisting. Once it is disposed, ASTI will no longer need to consolidate the losses from Dragon Group.
7. The Company has the intention to transfer from Mainboard to Catalist board. It will apply for the transfer once it reached profitability subject to SGX-ST approval.

By Order of the Board

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

5th March 2021