

DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**") of ASTI Holdings Limited (the "**Company**" or "**ASTI**", and together with its subsidiaries, the "**Group**") refers to the announcements made by Company on 28 October 2024 and 29 October 2024 in respect of the disposal of an aggregate of 89,242,952 shares in Advanced Systems Automation Limited ("**ASA**") in the open market, representing approximately 13.64% of the issued and paid-up capital of ASA as at 9 September 2024, and the Company ceasing to be a shareholder of ASA (the "**Disposal**").
- 1.2 ASA was accounted for as an associated company of ASTI until August 2024. ASA undertook several corporate actions in 2024, including the issuance of consideration shares for the acquisition of LSO Organisation Holdings Pte Ltd ("**LSO**"), the issuance of new shares to professionals as consideration for services rendered in connection with the acquisition of LSO and the issuance of the redeemable convertible notes. Following the aforementioned corporate actions undertaken by ASA, the Company's shareholding interest in ASA dropped to below 20%, as announced by the Company on 26 September 2024 in its results announcement for the half-year ended 30 June 2024. In June 2024, ASA also underwent a share consolidation of 65 existing shares into 1 consolidated share. On 16 September 2024, ASA announced a proposed renounceable non-underwritten rights cum warrants issue.

2. RATIONALE FOR THE DISPOSAL

- 2.1 The Disposal was undertaken as the Board is of the view that the Disposal will be in the best interest of the Company and the shareholders of the Company due to the following considerations:
- (i) ASA had ceased to be an associated company of the Group and the Company no longer had any significant influence in ASA.
 - (ii) The Company did not wish to participate in any future fund-raising activities, including the aforesaid rights cum warrant issue by ASA, which would further dilute its shareholding interest in ASA.
 - (iii) The Disposal was undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Group.
 - (iv) The Disposal would also improve the Group's liquidity, fund the Group's working capital requirements and enable it to reallocate resources to focus on stabilising and expanding its core businesses, as well as to pursue any future business opportunities as and when they arise, with the aim of enhancing shareholders' value.

3. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

3.1 Based on the latest unaudited financial statements of the Group as at 30 June 2024, the relative figures of the Disposal computed on the bases set out in Rule 1006 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are as follows:

Rule 1006	Description	Target asset (S\$'000)	Group (S\$'000)	Relative figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	445	33,488	1.3 ⁽¹⁾
(b)	The net profit/loss ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits.	-41 ⁽¹⁾	-3,376	1.2 ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1,367	9,166 ⁽²⁾	14.9% ⁽⁴⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N/A	N/A	N/A ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N/A	N/A	N/A ⁽⁶⁾

(1) Computed based on the carrying amount of ASA shares of S\$445,000 as of 30 June 2024 and the net asset value of the Group of S\$33,488,000 as of 30 June 2024.

(2) “Net profit/loss” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) Computed based on the Company's 13.64% interest in ASA, the net loss attributable to ASTI's interest in ASA for 1H2024 is S\$40,647 and the Group's net loss for 1H2024 is S\$3,376,000. Further, there is a gain on the disposal of ASA shares of S\$922,000 at the Group level.

(4) The Company's market capitalization of approximately S\$9,166,000 is based on its total number of issued ordinary shares (“**Shares**”) of 654,731,486 and the last traded share price of \$0.014 per Share prior to trading suspension.

- (5) Not applicable as this is not an acquisition.
- (6) Not applicable as this is not a disposal of mineral, oil or gas assets by a mineral, oil or gas company.
- 3.2 Based on the above, the relative figures computed under Rule 1006(b) of the Listing Manual involves negative figures. Under Rule 1007(1) of the Listing Manual, if any of the relative figures computed pursuant to Rule 1006 involves negative figures, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1.
- 3.3 In this regard, as the Disposal constitutes the disposal of a loss-making asset, and (i) the absolute relative figure computed on the basis of Rules 1006(a) and (c) does not exceed 20%; and (ii) there is a gain on disposal, the Disposal constitutes a “discloseable transaction” as defined under Chapter 10 of the Listing Manual. Accordingly, the approval of shareholders of the Company at an extraordinary general meeting was not required for the Disposal.

4. FINANCIAL EFFECTS OF THE DISPOSAL

The following tables illustrates the proforma financial effects of the Disposal on the Group and strictly for illustrative purpose only and do not reflect the actual financial effects or future financial performance of the Company and the Group following the completion of the Disposal.

The net tangible assets (“NTA”) per share and the earnings per share (“EPS”) of the Group are calculated based on the latest audited financial statements of the Group as at 31 December 2022 (“FY2022”) as well as the following assumptions:

- (a) for the purpose of computing the NTA per Share, it is assumed that the Disposal had been effected at the end of FY2022; and
- (b) for the purpose of computing EPS of the Group, it is assumed that the Disposal had been effected at the beginning of FY2022.

Financial Effect on NTA per share	FY2022	
	Before the Disposal	After the Disposal
NTA attributable to owners of the Company (S\$'000)	63,527	63,156
Number of shares (excluding treasury shares)	654,731	654,731
NTA per share (S\$ cents)	9.70	9.65

Financial Effect on EPS	FY2022	
	Before the Disposal	After the Disposal
Profit attributable to shareholders (S\$)	5,401	5,158
Weighted average number of ordinary shares	654,731	654,731
EPS (S\$ cents)	0.82	0.79

5. CONSIDERATION AND NET PROCEEDS

- 5.1 The ASA shares were disposed via open market transactions and its consideration was based on the actual value transacted on each day. The net proceeds from the Disposal, after deducting all costs and expenses, is estimated to be approximately S\$1.36 million, part of which will be utilised for general working capital of the Group. The net proceeds from the Disposal will give rise to an estimated net gain of approximately S\$0.9 million (Net proceeds less net carrying amount of ASA as of 30 June 2024).

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 6.1 To the best of the Directors' knowledge, the Company's controlling shareholder, Dato' Michael Loh Soon Gnee, has an interest in the shares of ASA (based on ASA's announcement on the change in shareholder's interest dated August 2024 and the FY2023 Annual Report of ASA), none of the Directors of the Company has any interest, direct or indirect, in the Disposal, other than through their respective shareholdings (if any) in the Company.

By Order of the Board
Mr Ng Yew Nam

Executive Director & CEO
ASTI Holdings Limited
6 November 2024