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

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

Introduction

ASTI Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 6 June 2019.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the "**Board**") wishes to provide an update on the financial situation of the Company and the Group in respect of the nine months ended 30 September 2021.

Update on Unaudited Financial Performance and Financial Position

The Group recorded revenue of $39.7 million in the nine months ended 30 September 2021 ("9M2021"), down by 7.1% or $3.0 million from $42.7 million recorded in the previous corresponding period ended 30 September 2020 ("9M2020"). This is mainly due to lower sales from one of our China subsidiaries.

Gross profit margins of jobs undertaken in 9M2021 have improved by 3% compared to 9M2020.

The Group reported a lower net loss after tax of $1.5 million in 9M2021 compared to a net loss after tax of $2.8 million in 9M2020, mainly due to the implementation of cost-cutting measures and higher foreign exchange gain recorded in 9M2021.

Compared to 31 December 2020, the Group's net assets have declined by S$1.3 million from S$72.5 million at 31 December 2020 to S$71.2 million at 30 September 2021.

Cash and cash equivalents decreased by S$2.7 million at 30 September 2021 compared to 31 December 2020 mainly due to the utilisation of cash and cash equivalents for working capital needs, the purchase of property, plant and equipment by the Group and the repayment of lease obligations.

Efforts and progress made in meeting the exit criteria of the watch-list

The Company has taken many steps with the objective of meeting the exit criteria of the watch-list. These include the steps that were announced by the Company on 5 March 2021, 17 May 2021 and 18 August 2021 on SGXNet.

1. The Company is actively looking for a 3rd party offeror for our listed subsidiary Dragon Group International Limited ("Dragon Group") which is presently facing delisting. DGI holds a 40% stake in an independent associate, EoCell Limited, which is undertaking costly research and development in lithium ion battery anode material. Once it is disposed of, ASTI will no longer need to consolidate the losses from Dragon Group and this should further increase its profitability.

2. The Company has commenced a retrenchment exercise and targets to complete retrenchment exercise before the end of this financial year. The Company expects to reduce the overall operating cost of the Group significantly.

   As certain individuals who have been retrenched are key appointment holders, the Company will be making separate announcements for their cessation of service in accordance with Rule 704(7) of the Listing Manual and Appendix 7.4.2 of the Listing Manual.

3. 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
12 November 2021