



(Incorporated in the Republic of Singapore)
(Company Registration No. 198600740M)
(the "Company")

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS
FOR ANNUAL GENERAL MEETING ON 29 JUNE 2020**

The Board of Directors (the "**Board**") of ASTI Holdings Limited (the "**Company**") and together with its subsidiaries, collectively the "**Group**") refers to the announcement dated 12 June 2020 in relation to the Notice of Annual General Meeting to be held by electronic means on Monday, 29 June 2020, at 1.30 p.m. ("AGM 2020").

The Company would like to express its appreciation to its shareholders for submitting their questions in advance of AGM 2020. The Company would like to inform shareholders that all the questions submitted by shareholders by the deadline, i.e. 1.30 p.m. on 22 June 2020, have been responded and are published in this announcement.

Please refer to the Appendix A of this announcement for details of the questions and the responses of the Group.

By Order of the Board

DATO' KHOR GARK KIM
Lead Independent Director
Advanced Systems Automation Limited
26 June 2020

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

APPENDIX A

Question 1: The Company has been incurring losses for many years, is there any viable turn-around business plan? Is there clear new direction by the new Controlling shareholder?

Company's Response:

The Group has been working on cost cutting measures throughout the financial year ended 31 December 2019 ("FY2019") and will continue to seek ways to reduce losses. The Company is in negotiation with few parties to divest the loss-making entities or to shut it down to reduce further losses to the Group.

Currently, the Group has ventured into the production of steel wheels, using our present factory space and equipment. There is intention to scale up the business if sufficient funding is obtained for the expansion of the business.

Question 2: In the Annual Report, the Company mentioned that a loan agreement was signed with a local bank in May 2019 for working capital purpose. Why is there a mention in the Chairman Speech "the limited cash flow is a constraint"? How much is the shortfall based on the estimated working capital required for the financial year?

Company's Response:

Despite implementing cost cutting measures, the Group is cognizant of the current challenging business conditions amid the COVID-19 pandemic. Based on the assessment of the present situation and the Group's current financial condition, the Company foresees that it will require additional funding in the course of the financial year for its current business. Thus the limited cash flow is a constraint on the Company's ability to venture into the opportunities presented to the Company. The Group will try to raise the funds through bank borrowings or loan(s) from key shareholders.

Question 3: Does the Company intend to undertake a rights issue or convertible securities?"

Company's Response:

There are currently no plans for the Company to undertake a rights issue and/or convertible securities at the moment.

Question 4: Regarding the current composition of Board, it is noted that after resignation of Dato Michael Loh, all major shareholders do not have a representation in the Board, it is very rare. How does the Company convince the shareholders that shareholder value will be protected and the Board is reflective of its current shareholding structure?

Company's Response:

As stated on page 5 of the Corporate Governance Report, the Nominating Committee and the Board are still looking for suitable candidate(s) for the position(s) of the Group CEO and Chairman of the Board. The Company will make the relevant announcements upon appointment of the candidate(s).

It is not uncommon that major shareholders have no representation at the board level. Instead, it is imperative that the Company has a competent and professional management team, a qualified Board and the adoption of good corporate governance practices to discharge the Board's duties to protect the interests of the shareholders of the Company and enhance the value and financial performance of the Group.

Question 5: How much does the Company intend to raise? We have already seen massive dilution via the rights issue done in 2017. Will the Company be doing such an exercise again after 3 years? Based on the Annual Report, we note that the Company still owe three major shareholders around S\$8 million.

Company's Response:

There is presently no intention to raise any funds through the issuance of new shares.

Question 6: How and when can we expect the Company to turn profitable and healthy?

Company's Response:

With the above-mentioned cost cutting efforts and the venture into new steel trailer wheel business, barring unforeseen circumstances, we expect that the loss for the financial year ending 31 December 2020 ("FY2020") will be narrowed as compared to FY2019. This is attributable to the ongoing pandemic and current trade tensions which may dampen demand in the certain segments of the Groups' business for FY2020.