



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

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The board of directors (the "Board") of ASTI Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's unaudited full year financial results announcement for the financial year ended 31 December 2022 ("**FY2022**") released via SGXNet on 23 February 2023 ("**Unaudited Financial Statements for FY2022**").

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that following the finalisation of the audit of the financial statements for FY2022 by the external auditors, there have been certain reclassifications and adjustments made by the Company in respect of the statements of financial position, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows in the Audited Financial Statements for FY2022. The details and explanations of the material variances are set out in Appendix A as annexed hereto.

Shareholders are advised to read this announcement in conjunction with the Audited Financial Statements of the Group for FY2022 which will be set out in the Company's annual report for FY2022 to be released on SGXNet in due course.

By Order of the Board

Mr Ng Yew Nam
Executive Director & CEO
ASTI Holdings Limited
13 September 2024

Appendix A

Consolidated Statement of Financial Position

	Group				Company			
	31 Dec 2022 S\$'000 (Audited)	31 Dec 2022 S\$'000 (Unaudited)	Variance S\$'000	Note	31 Dec 2022 S\$'000 (Audited)	31 Dec 2022 S\$'000 (Unaudited)	Variance S\$'000	Note
ASSETS								
Non-current assets								
Intangible assets	18	18	-		-	-	-	
Property, plant and equipment	33,248	32,006	1,242	1	98	71	27	1
Right-of-use assets	-	1,114	(1,114)	1	-	30	(30)	1
Investments in subsidiaries	-	-	-		5,436	5,162	274	14
Investments in associates	1,738	18,100	(16,362)	2	5,801	5,801	-	
Deferred tax assets	27	31	(4)	3	-	-	-	
Other receivables	39	39	-		-	-	-	
Amounts due from associates	2,461	-	2,461	4	2,461	-	2,461	4
Total non-current assets	37,531	51,308			13,796	11,064		
Current assets								
Inventories	3,582	3,582	-		-	-	-	
Prepayments and advances	883	894	(11)	5	35	35	-	
Trade receivables	12,900	12,678	222	6	-	-	-	
Other receivables	863	795	68	3	106	99	7	
Amount due from subsidiaries	-	-	-		1,513	823	690	15
Amounts due from associates	628	9,976	(9,348)	4	340	9,962	(9,622)	4
Cash at bank and on hand	25,875	25,876	-		1,456	1,456	-	
Total current assets	44,731	53,801			3,450	12,375		
Total assets	82,262	105,109			17,246	23,439		
EQUITY AND LIABILITIES								
Equity								
Share capital	132,617	132,617	-		132,617	132,617	-	
Treasury shares	(4,772)	(4,772)	-		(4,772)	(4,772)	-	
Capital reserves	(8,194)	(3,746)	(4,448)	7	(2,960)	(2,960)	-	
Foreign currency translation reserve	(604)	(506)	(98)	8	-	-	-	
Other reserves	-	(4,448)	4,448	7	-	-	-	
Accumulated losses	(55,502)	(46,336)	(9,166)	9	(116,444)	(112,803)	(3,641)	9
Equity attributable to owners of the Company	63,545	72,809			8,441	12,082		
Non-controlling interests	(18,424)	(8,637)			-	-		
Total equity	45,121	64,172			8,441	12,082		
Non-current liabilities								
Deferred tax liabilities	424	209	215	3	-	-	-	
Long term payables	2,412	2,401	11	10	-	-	-	
Loans and borrowings	9,767	9,767	-		-	-	-	
Lease liabilities	844	751	93	1	-	-	-	
Total non-current liabilities	13,447	13,128			-	-		
Current liabilities								
Loans and borrowings	2,178	2,178	-		-	-	-	
Lease liabilities	655	616	39	1	30	30	-	
Provisions	100	5	95	11	-	-	-	
Trade payables and accruals	10,721	11,711	(990)	12	1,175	1,239	(64)	12
Other payables	9,683	12,883	(3,200)	13	293	3,471	(3,178)	13
Amounts due to subsidiaries	-	-	-		7,307	6,617	690	15
Income tax payable	357	416	(59)	3	-	-	-	
Total current liabilities	23,694	27,809			8,805	11,357		
Total liabilities	37,141	40,937			8,805	11,357		
Total equity and liabilities	82,262	105,109			17,246	23,439		

Consolidated Statement Of Profit Or Loss and other comprehensive income

	Group		Variance S\$'000	Note
	31 Dec 2022 S\$'000 (Audited)	31 Dec 2022 S\$'000 (Unaudited)		
Revenue	67,006	67,006	-	
Cost of sales	<u>(48,528)</u>	<u>(48,527)</u>	-	
Gross profit	18,478	18,479	-	
Other income	570	786	(216)	16
Other expense				
- Marketing and distribution	(1,628)	(1,665)	37	17
- Research and development	2	2	-	
- Administrative expenses	(10,169)	(10,981)	812	18
- Other losses, net	(1,409)	(182)	(1,227)	19
- Foreign exchange loss	-	(676)	676	19
- Finance costs, net	(194)	(194)	-	
Share of results of associates, net of tax	<u>6</u>	<u>(1,457)</u>	1,463	20
Profit before income tax	5,656	4,112		
Income tax expense	<u>(1,124)</u>	<u>(1,070)</u>	(54)	3
Profit for the year	<u>4,532</u>	<u>3,042</u>		
Other comprehensive loss: <i>Items that may be reclassified subsequently to profit or loss:</i>				
- Foreign currency translation	<u>(77)</u>	<u>(274)</u>	(197)	8
Other comprehensive loss for the year, net of tax	<u>(77)</u>	<u>(274)</u>		
Total comprehensive income for the year	<u>4,455</u>	<u>2,768</u>		
Profit attributable to:				
Owners of the Company	5,401	4,777	624	3,16-20
Non-controlling interests	<u>(869)</u>	<u>(1,735)</u>	866	3,16-20
Total	<u>4,532</u>	<u>3,042</u>		
Total comprehensive loss attributable to:				
Owners of the Company	4,251	3,656	595	3,16-20
Non-controlling interests	<u>204</u>	<u>(888)</u>	1,092	3,16-20
Total comprehensive income for the year	<u>4,455</u>	<u>2,768</u>		
Earnings per share (cents per share)				
Basic and diluted	<u>0.82</u>	<u>0.73</u>		3,16-20

Consolidated Statement of Cash flows Statement

Group	<u>31 Dec 2022</u> S\$'000 (Audited)	<u>31 Dec 2022</u> S\$'000 (Unaudited)	<u>Variance</u> S\$'000	<u>Note</u>
OPERATING ACTIVITIES				
Profit before income tax	5,656	4,112	1,544	3,16-20
<i>Adjustments for:</i>				
- Depreciation of property, plant and equipment	9,075	7,912	1,163	21
- Depreciation of right-of-use assets	-	842	(842)	21
- Impairment loss on property, plant and equipment	212	156	56	21
- Allowance/(Write-back) of stock obsolescence, net	32	(56)	88	22
- Allowance on amounts due from associates	845	-	845	4,19
- (Write-back)/Allowance on trade receivables	(208)	14	(222)	6
- Write-back on allowance on other receivables	(8)	-	(8)	
- Loss on disposal of property, plant and equipment	5	4		
- Interest income	(355)	(354)		
- Interest expense	507	506		
- Share of results of associates	(6)	1,457	(1,463)	20
- Property, plant and equipment written off	-	6	(6)	
- Gain on lease termination	-	(216)	216	21
- Bad debts written off	-	2	(2)	
- Effects of exchange loss	(516)	(2,419)	1,903	24
Operating cash flows before changes in working capital	15,239	11,966		
<i>Changes in working capital:</i>				
Inventories	(245)	(240)	(5)	
Prepayment and advances	(20)	-	(20)	23
Trade receivables	(1,333)	8,061	(9,394)	23
Other receivables	19	-	19	23
Amounts due from associates	(148)	(455)	307	4
Long term payables	(134)	-	(134)	25
Trade and other payables	(3,603)	(8,293)	4,690	25
Cash flows generated from operations	9,775	11,039		
Interest paid	(130)	(423)	293	26
Interest received	82	83		
Income tax paid	(1,285)	(1,273)	(12)	3
Net cash flows generated from operating activities	8,442	9,426		
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	6	3	3	
Purchase of property, plant and equipment	(14,097)	(14,096)		
Net cash flows used in from investing activities	(14,091)	(14,093)		
FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities	(1,075)	(904)	(171)	21
Proceeds from bank borrowings	9,422	9,713	(291)	26
Repayments of bank borrowings	(208)	(138)	(70)	26
Dividends payable on ordinary shares by the Company	-	(2,946)	2,946	13, 25
Net cash flows generated from financing activities	8,139	5,725		
Net increase in cash and cash equivalents	2,490	1,058		
Cash and cash equivalents at beginning of the year	23,849	23,849		
Effects of exchange rate changes on cash and cash equivalents	(464)	969		
Cash and cash equivalents at end of the year	25,875	25,876		

Note

1. Reclassification of S\$1,114,000 and S\$30,000 from right-of-use assets to property, plant and equipment due to leasehold properties being wrongly classified in the Unaudited Financial Statements for FY2022 as right-of-use assets in Group level and Company level respectively. Further an additional S\$128,000 pertaining to the late adjustments was not taken up in Group level in the Unaudited Financial Statements for FY2022. These adjustments pertain to the right-of-use assets and lease liabilities, which were not accounted for.
2. Pursuant to the queries from the Accounting and Corporate Regulatory Authority (“ACRA”) pertaining to the financial statements of the Group for financial year ended 31 December 2021 (“FY2021”), the current Board, which was reconstituted on 16 January 2024, performed an assessment of impairment on the investment in an Associate, EoCell Inc (“EoCell”) in response to ACRA’s queries. Following this assessment by the current Board, a restatement was made to the Group’s FY2021 financial statements. An additional impairment of S\$17,922,000 was provided for in respect of the Group’s investment in EoCell, resulting in the Group’s investment in EoCell being fully impaired at the end of FY2021. The decrease of S\$16,362,000 was due to the additional impairment of \$17,922,000, partial offset by the reversal of share of loss including translation reserve in EoCell for FY2022 of S\$1,560,000 as the investment was fully impaired as at 31 December 2021.
3. Adjustments made to various tax accounts (deferred tax assets, other receivables, deferred tax liabilities, income tax payables and income tax expenses) after finalisation of the tax computation subsequent to the release of the Unaudited Financial Statements for FY2022 on 23 February 2023.
4. Reclassification of amount due from an associate, Advanced System Automation Limited (“ASA”), from current assets to non-current assets amounting to S\$2,461,000 and cumulative expected credit loss (“ECL”) adjustments made to FY2020, FY2021 and FY2022 totalling S\$7,511,000 for the Group and S\$7,161,000 for the Company. Pursuant to the queries from ACRA pertaining to the financial statements of the Group for FY2021, the Board recomputed the ECL for financial year ended 31 December 2020 (“FY2020”) in response to ACRA’s queries. The ECL computation is measured using a probability-weighted basis that is determined by evaluating a range of possible outcomes. Accordingly, the current Board made a prior year adjustment for additional ECL provision of S\$5,162,000 in respect of the amount due from ASA for FY2020. Accordingly, as at 1 January 2021 and 31 December 2021, the net amount due from ASA after additional ECL provision was S\$2,683,000 and S\$3,479,000 respectively. Further additional ECL allowance of S\$845,000 was provided in FY2022 using the same methodology and the cumulative ECL provision up to FY2022 in respect of the amount due from ASA was S\$7,511,000 (including S\$623,000 which was provided prior to the FY2022 audit). The amount due from ASA net of the cumulative ECL provision was S\$3,089,000.
5. Adjustment to prepayment amount of S\$11,000 in one of the subsidiaries wrongly taken up.
6. Reversal of provision of ECL allowance on trade receivables of S\$222,000.
7. Reclassification of other reserves to capital reserves of S\$4,448,000 for disclosure purposes.
8. Adjustment on foreign currency translation reserve of S\$98,000 due to overseas subsidiaries which are denominated in foreign currencies.
9. Effect due to change in the profit or loss during the financial year (Note 3, 16 – 20) and prior year adjustments made to the FY2020 and FY2021 Financial Statements (Note 2 and 4)
10. Late adjustment on the under recognition of provision of defined benefits by subsidiary of S\$11,000.

11. Being additional provision for payroll payable and restructuring provision for one of the subsidiaries now amounting to S\$95,000.
12. Reversal of overprovision of professional fees, audit fees, expenses, AWS and CPF of S\$990,000 at Group level and \$64,000 at Company level respectively.
13. Reversal of dividend payable of S\$2,946,000 wrongly accrued (since the dividend pertaining to FY2022 was declared and paid in FY2023, it will be reflected in the FY2023 Financial Statements) and reversal of FY2021 director fees not approved by shareholders of S\$254,000.
14. Adjustment of S\$341,000 due to net gain on disposal of subsidiary offset against S\$67,000 on additional impairment in subsidiary.
15. Disclosure in the Unaudited Financial Statements for FY2022 that was announced on 23 February 2023 was based on a net amount basis. However, in the audited FY2022 financial statements, this amount is disclosed on a gross basis as amount due from and due to subsidiaries for disclosure purposes.
16. Reclassification of S\$216,000 of written off of right-of-use assets from other income to other losses. as it was erroneously classified as gain on lease termination in the Unaudited Financial Statements for FY2022.
17. Reversal of over accrual of unutilised leave for FY2022 of S\$37,000.
18. Reversal of over accrual of director fees for FY2021 (see note 13) and professional fees (see note 12) totalling S\$812,000.
19. Reclassification of foreign exchange loss of S\$676,000 to other losses, additional ECL allowance for amount due from associates, ASA, of S\$845,000 (refer to note 4 for the disclosure on ECL allowance), movement in foreign exchange of S\$144,000, offset by the reversal of ECL provision for trade receivables of S\$222,000 (see note 6) and reclassification of right-of-use assets written off of S\$216,000 from other income to other losses (see note 16).
20. Reversal of share of results of EoCell of S\$1,463,000 as it was fully impaired in FY2021. Refer to Point 2 for explanation on the full impairment of EoCell.
21. Adjustment and reclassification in property, plant and equipment and right-of-use assets, resulting in the movement in the cash flow statement.
22. Reclassification of the movement on stock obsolescence allowance previously not taken up.
23. Disclosure in the Unaudited Financial Statements for FY2022 that was announced on 23 February 2023 was based on an accumulated movement in trade and other receivables. However, in the audited FY2022 financial statements, this amount is disclosed separately based on the balance sheet line items for disclosure purposes.
24. Additional adjustments arising from the foreign exchange movement made to the balance sheet and profit and loss of the overseas subsidiaries during the year not taken up.
25. Adjustments and reclassifications of accounts (including reversal of dividend payable in Note 13) due to the accumulated movement in trade and other payables in the Unaudited Financial Statements, now disclosed separately as line items on the balance sheet for disclosure purposes.
26. Being reclassification of interest from financing activities to operating activities.