



ASTI HOLDINGS LIMITED
Company Registration No.: 199901514C

**GRANT OF SHARE OPTION TO OVESEAS CHINESE BANKING CORPORATION LIMITED
PURSUANT TO A LOAN AND OPTION AGREEMENT**

1. The board of directors ("**Board of Directors**") of ASTI Holdings Limited (the "**Company**") wishes to announce that the Company had, on 19 March 2010, granted an option (the "Share Option") in favour of Overseas Chinese Banking Corporation Limited (the "**Lender**"), (or any of the Lender's related entities which it shall nominate), whereby the Lender shall, from time to time during the Option Period (as defined herein), have the right but not obligation to subscribe for or purchase, as the case may be, 70,721,358 ordinary shares in the capital of the Company ("Option Shares") at S\$0.0707 per Option Shares (the "Exercise Price") for an aggregate price of S\$5,000,000.

The Share Option was granted pursuant to a loan and option agreement (the "**Loan and Option Agreement**") entered into between the Company and the Lender on 19 March 2010 wherein the Lender agrees to extend loan facilities in the aggregate amount of up to \$15 million (the "Loan Facilities"); comprising a bridging loan of up to S\$10 million ("Bridging Loan") and a term loan of \$5 million ("Term Loan").

2. The Loan Facilities will be used for investment purposes as and when such opportunities arise and the Company will provide more details on the use of such loan proceeds when they are materially disbursed.
3. The Loan and Option Agreement provides, inter alia, that the Term Loan shall be repaid by the Company to the Lender in full twelve (12) calendar months after date of draw down.
4. Option Period: The Share Option is valid commencing from the date of the Loan and Option Agreement and will expire upon (i) twelve (12) calendar months after the date of the Loan and Option Agreement, (ii) the Term Loan Repayment Date or (iii) the full repayment of the Term Loan plus interest, whichever is the latest.

5. Approval for ALA:
 - 5.1. The Completion of the Share Option is subject to approval in-principle being granted from Singapore Exchange Securities Trading Limited ("SGX-ST") (not revoked or amended up to the expiry of the Option Period) pursuant to an additional listing application ("ALA") by the Company for the allotment of the Option Shares as payment of the Term Loan pursuant to Chapter 8 Part XI of SGX-ST Listing Manual and if such approval is obtained subject to any conditions and where such conditions affect any party, subject to such conditions being acceptable to the party concerned and, if such conditions are required to be fulfilled before completion of the Share Option, the fulfilment of such conditions before completion of the Share Option.
 - 5.2. The Company will submit an ALA to SGX for approval in due course after this announcement.
6. Exercise Price: Based on the Loan and Option Agreement, the exercise price of the Option Shares (the "Exercise Price") shall be the volume weighted average market price (the "VWAP") for the Shares for trades done on the SGX for the past twenty (20) Market Days immediately prior to the date of the Loan and Option Agreement. For the avoidance of doubt:
 - 6.1. if the VWAP is at more than 10% discount to the last transacted price on the date of this Agreement (the "Last Price"), then the Exercise Price shall be fixed at 10% discount to the Last Price; or
 - 6.2. if the VWAP is at more than 10% premium to the Last Price, then the Exercise Price shall be fixed at 10% premium to the Last Price.
 - 6.3. The Last Price and the VWAP was S\$0.075 and S\$0.0707 respectively. Based on the above, the Exercise Price is determined to be based on the VWAP of S\$0.0707. At the aggregate purchase price for the Option Shares of S\$5,000,000, the number of Option Shares to be issued is 70,721,358.
7. How Lender was Identified
 - 7.1. The Lender is one of the existing Bankers of the Company known through the normal course of business between the parties.
 - 7.2. No placement agent was appointed for this issue.

8. Rationale and Use of Proceeds

- 8.1. The proceeds that will be raised from the Share Option, if it is exercised by the Lender, is S\$5 million. All of the proceeds will be used to offset against the Term Loan owing to the Lender.
- 8.2. The grant of Share Option, when exercised will improve the working capital position of the Company.

9. Financial Effects

- 9.1. Assuming the exercise of Share Option by the Lender, the issue of the Option Shares pursuant to the conversion will increase the issued and paid up ordinary share capital of the Company as of the date of this announcement by up 70,721,358 ordinary shares from 536,032,572 ordinary shares to 606,753,930.
- 9.2. Purely for illustration purpose only, based on the latest announced unaudited financial statements of the Group as at 31 December 2009, assuming that the Lender exercised the Share Option on 31 December 2009, the consolidated net tangible assets per share of the Group as at 31 December 2009, after adjusting for the issue of the Option Shares, would have decreased from S\$ 0.144 per share to S\$ 0.136 per Share.
- 9.3. Purely for illustration purpose only, based on the latest announced unaudited financial statements of the Group for the year ended 31 December 2009, assuming that the Lender exercised the Share Option on 1 January 2009, the consolidated loss per Share of the Group for the year ended 31 December 2009, after adjusting for the issue of Option Shares, would have decreased from S\$ 0.007 per Share to S\$0.006 per Share.

10. Mandate for Grant

- 10.1. The Share Option is granted under the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 30 April 2009 for the Company to issue shares and convertible securities.
- 10.2. As at the date of this announcement, the Company has 536,032,572 Shares. The Option Shares, when allotted and issued in full, will represent approximately 13.2% of the total number of issued shares in the capital of the Company as at 19 March 2010 and the date of this announcement or approximately 11.7 % of the enlarged issued and paid-up share capital upon the issuance of Option Shares.

- 10.3. The Exercise Price of S\$0.0707 represents approximately 5.7% discount to the weighted average price of S\$0.075 per Share for trade done on the SGX-ST for the full market day on the agreement date.
11. Directors' Opinion: The directors are of the opinion that after taking into the consideration the present banking facilities and the net proceeds of the issue (if exercised), the working capital available to the group is sufficient to meet its present requirements.
12. Directors' Interests: The Lender is not related to any director or a substantial shareholder of the Company, or any other persons in the categories set out in Rule 812(1) of the SGX-ST Listing Manual.

By Order of the Board

Woo Kwek Kiong
Company Secretary
22 March 2010