

**RESPONSE TO SGX'S QUERIES ON THE FINANCIAL STATEMENTS FOR
THE FINANCIAL QUARTER ENDED 31 MARCH 2010**

The Board of Directors of ASTI Holdings Limited (the "**Company**") refers to the queries raised by the Singapore Exchange Limited ("**SGX**") on its financial statements announcement for the financial quarter ended 31 March 2010 (the "Result Announcement"), and wishes to clarify as follows:-.

SGX's query:

On page 10 of the announcement, the commentary provided by the Company does not sufficiently explain the conditions of the industry and the factors affecting the Group going forward. Please provide more information on the industry and an update of the Group's business operations and steps to be taken by the Group to improve its financial position in the next 12 months.

Company's response:

According to the Semiconductor Industry Association's press release on 3 May 2010, there is "healthy demand from major end markets coupled with restocking to normal inventory levels contributed to strong first-quarter growth." While it is expected "that 2010 sales will continue to be strong, the year-on-year growth rate will moderate going forward, reflecting the industry recovery that began in the second half of 2009".

Whilst the Group's performance in 1Q2010 is better than expected, the business cycle for the BEST Business remains short and visibility is low. The Distribution and Services Business will continue with its cost-efficiency management and strengthen its operations and competitive capabilities.

In view of the uncertainties surrounding the economic recovery, the Group remains cautious about its performance in the second quarter and will continue to strengthen its business competitiveness and monitor its expenditure vigilantly in the next few quarters.

By Order of the Board

Woo Kwek Kiong
Company Secretary
Date: 18 May 2010