ASTI HOLDINGS LIMITED
Company Registration No.: 199901514C
(the "Company")

PROPOSED ACQUISITION OF SHARES REPRESENTING UP TO 55% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF PT. CAHAYA SAKTI

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of the Company (together with its subsidiaries, the "**Group**") refers to the announcement on 17 October 2016 that the Company had entered into a non-binding term sheet with Mr. Ifachrul Madin (the "**Seller**") for the purchase by the Company of shares representing up to 55% of the total issued share capital of PT. Cahaya Sakti (the "**Target**") (the "**Proposed Acquisition**"). The Board is pleased to announce that the Company has, on 29 December 2016 entered into the sale and purchase agreement (the "**SPA**") for the Proposed Acquisition.

Upon the completion (the "**Completion**") of the Proposed Acquisition, the Company will hold 19,250 ordinary shares (the "**Sale Shares**") representing approximately 55% of the issued and paid-up capital of the Target. On Completion, the Company will enter into a shareholders' agreement with the Target and its shareholders for the regulation of the business and affairs of the Target.

2. INFORMATION ON THE TARGET AND THE SELLER

2.1 The Target

The Target is a company incorporated under the laws of the Republic of Indonesia. It is an independent power producer in Indonesia, whose business involves the importation, setting up and operation of power plants, including the generation and transmission of electrical power. The Target currently owns certain assets, including in relation to its operation of a gas-powered electricity power plant in Tarakan City, North Kalimantan, Indonesia.

As of the date of this announcement ("**Announcement**"), the Target has an issued and paid-up share capital of IDR350,000,000,000 comprising 35,000 ordinary shares. The shareholders of the Target as of the date of this Announcement are the Seller and Marthin Denny Senewe, who each holds approximately 97% and 3% of the share capital of the Target respectively.

Based on the unaudited financial statements of the Target for the nine month period ended 30 September 2016 ("**9M2016**"), the net profits attributable to the Sale Shares is approximately S$1.56 million, and the net tangible assets of the Sale Shares is approximately S$0.51 million.

The Seller

The Seller is an individual and is also a director of the Target.

3. PRINCIPAL TERMS OF THE SPA

3.1 Purchase Consideration

The consideration for the Proposed Acquisition is US$2 million, to be satisfied wholly in cash (the "**Consideration**") in the following manner:

(a) a sum equivalent to 50% of the Consideration shall be paid to the Seller on the date of Completion (the "**Initial Consideration**");

(b) the Company is entitled to withhold the balance 50% of the Consideration (the "**Withheld Consideration**") for the purposes of satisfying any claims of the Company against the Seller under the SPA (including but not limited to any claims by the Company for any breach of warranty or for any indemnity claims) (the "**Claims Amounts**"), and on the date falling one (1) year from the date of Completion, the Company shall pay to the Seller a sum equivalent to the Withheld Consideration less any Claims Amounts (the "**Final Consideration**"); and

(c) the manner of payment of the Initial Consideration and the Final Consideration shall be by way of cheque or telegraphic transfer of readily available funds.

The Consideration was determined on a willing-buyer and willing-seller basis and taking into account various commercial factors such as the future potential of the Target. The Proposed Acquisition will be funded by the Company's internal resources.

3.2 Conditions Precedent

Under the terms of SPA, the Proposed Acquisition is conditional upon, *inter alia*, the satisfaction or waiver of the following conditions (the "**Conditions**"):

(a) satisfactory due diligence on the Target being completed, including but not limited to the satisfactory legal review of all documents related to the assets and the business of the Target;

(b) the procurement by the Seller of all consents and notifications necessary under Indonesian Law for the Proposed Acquisition, including, *inter alia*:

   (i) the consent of the Target's shareholders at a general meeting to be convened for the approval of the Proposed Acquisition and transactions related thereto;

   (ii) the approval of the Investment Coordinating Board or *Badan Koordinasi Penanaman Modal* (BKPM) on the status conversion of the Target from a domestic company to a foreign investment company or *perusahaan penanaman modal asing* (PMA) for the transfer of the Sale Shares from the Seller to the Company;

   (iii) the announcement of the Proposed Acquisition in an Indonesian newspaper with nation-wide circulation in accordance with Indonesian law;

   (iv) the written notification to employees of the Company of the Proposed Acquisition in accordance with Indonesian law;

(c) the obtaining of such financing or funding as the Company may deem necessary and on such terms satisfactory to the Company for the purposes of the Proposed Acquisition and to carry out the business operations of the Target post-Completion (including but not limited to financing or funding as may be required for the Target's capital expenditure);

(d) a feasibility study to be carried out by a professional appointed by the Company and the results of such study being acceptable to the Company in its absolute discretion;

(e) the entering into of binding and definitive agreements with relevant third parties for two projects being undertaken by the Target and all approvals, permits or consents as may be required for such projects being obtained;

(f) there being no material adverse change in the business, operations, assets, financial condition, prospects or senior management of the Target since the date of the SPA and no event having occurred or in the opinion of the Company, being likely to occur which will or is likely to have a material adverse effect on the business, operations, assets, financial condition or prospects of the Target;

(g) all approvals, waivers or consents as may be required for the transfer of the Sale Shares, to enable the Company to be registered as holder of all of the Sale Shares, and to give effect to the transactions contemplated under the SPA being obtained (including but not limited to any waiver, consent or approval from relevant parties under the Target's contracts and lease agreements if necessary) and where any waiver, consent or approval is subject to conditions, such conditions being satisfactory to the Company and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect; and

(h) if required, the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and/or the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting having been obtained for the Proposed Acquisition.

The Company may, and upon such terms as it thinks fit, waive compliance with any of the Conditions.

If any of the Conditions shall not be fulfilled on or before the date falling 3 months from the date of the SPA, or such other date as the Company may designate in accordance with the SPA, the SPA (save for certain clauses which shall survive termination and continue to be valid, binding and enforceable on and/or against the Seller and/or the Company) shall *ipso facto* cease and determine and neither the Seller nor the Company shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim by the Company against the Seller arising from an antecedent breach of the terms of the SPA which arises from a breach of the Seller's obligation to use his best endeavours to procure the fulfilment of the Conditions, or which arises from a breach of the Seller's covenants and undertakings to the Company under the SPA.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition allows the Group to grow towards profitability through selective investments into new business segments, reducing its reliance on its existing business. The Group intends to include new revenue streams to broaden its earning base through a strategic alliance with local partners in the power producing business.

Specifically, the Company wishes to tap on the opportunities arising from the rising demand for electricity in Indonesia. The Proposed Acquisition will give the Group access to potential large-scale projects which may be undertaken by the Target, to the benefit of its Shareholders.

The Board therefore believes that the Proposed Acquisition is in the best interests of the Shareholders.

5. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the relevant bases set out in Rules 1006(a) to (d) of the Listing Manual of the SGX-ST are as follows:

		Relative figure
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not Applicable[(1)]
Rule 1006(b)	Net profit attributable to the assets acquired or disposed of, compared with the group's net loss	-31.16%[(2)]
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the issuer's, market capitalisation	10.37%[(3)]
Rule 1006(d)	Number of equity securities issued by the issued as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable[(4)]

Notes:

(1) Rule 1006(a) is not applicable as the Proposed Acquisition is an acquisition and not a disposal.

(2) Computed based on the net profits attributable to the Sale Shares compared with the Group's latest unaudited net loss before tax (excluding minority interest and extraordinary items) for 9M2016 announced on 15 November 2016.

(3) Market capitalisation is determined by multiplying the number of shares of the Company in issue, being 654,731,486 as at the date of this Announcement, by the weighted average price of S$0.04202 per share of the Company on 29 December 2016, being the full market day preceding the date on which the SPA was signed.

(4) Rule 1006(d) is not applicable as no shares in the capital of the Company will be issued as consideration for the Proposed Acquisition.

The relative figure computed under Rule 1006(b) is negative as the Target is profitable while the Group is loss-making. As stated in paragraph 2.1 of this Announcement, based on the unaudited financial statements of the Target for 9M2016, the net profits attributable to the Sale Shares is approximately S$1.56 million. The Company will be seeking a waiver from the SGX-ST from the requirement to seek shareholders' approval for the Proposed Acquisition on the basis that the Company is proposing to acquire profitable assets, and the Proposed Acquisition would therefore be beneficial for Shareholders.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition on the Company are set out in the sections below and have been presented based on the Group's unaudited consolidated financial statements for the financial year ended 31 December 2015.

As the pro forma financial effects presented as pro forma in nature and only for illustrative purposes, no representation or forecast is made as to the actual financial position and/or results of the Group immediately after Completion.

6.1 Share capital of the Company

The Proposed Acquisition will not have any impact on the current share capital of the Company.

6.2 Earnings per share

Assuming that the Proposed Acquisition had been completed on 1 January 2015, the pro forma financial effects of the Proposed Acquisition on the Company's consolidated earnings per share are as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
Loss attributable to Shareholders (S$'000)	20,478	20,243
Weighted average number of shares ('000)	654,371	654,371
Loss per share (cents)	3.13	3.09

6.3 Net tangible assets per share

Assuming that the Proposed Acquisition has been completed on 31 December 2015, the pro forma financial effects of the Proposed Acquisition on the Company's consolidated net tangible assets per share are as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
Net tangible assets of the Group (S$'000) (1)	69,468	67,534
Total number of issued shares ('000)	654,731	654,731
Net tangible asset per share (cents)	10.61	10.31

Notes:

(1) "Net tangible assets" means total assets less total liabilities.

7. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN THE PROPOSED ACQUISITION

None of the Directors has any interest, direct or indirect, in the Proposed Acquisition and the Company has not received any notification from any of its controlling Shareholders that they have any interest, direct or indirect, in the Proposed Acquisition.

8. DIRECTORS' SERVICE CONTRACTS

No person has been proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal office hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

By Order of the Board
Submitted by Dato' Michael Loh Soon Gnee
Chairman & CEO
30 December 2016