



ASTI Holdings Limited

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

**RESPONSE 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 14 June 2020 in relation to the Notice of Annual General Meeting to be held by electronic means on Monday, 29 June 2020, at 3.30 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. 3.30 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' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
ASTI Holdings Limited
25 June 2020

APPENDIX A

Question 1: Is there dividend given to shareholders for FY2019?

Company's Response:

Proposed final exempt (one-tier) dividend for the financial year ended 31 December 2018 of 0.5 cent per share was approved during the last AGM held on 15 August 2019. The dividend was subsequently distributed on 19 September 2019.

Question 2: Could the company elaborate on the supply chain disruption faced by Telford? Are we seeing improvements in the supply chain and what the management's assessment of the severity of the disruption?

Company's Response:

Telford Group's tape and reel business for the semiconductor industry was affected during the lockdown in China, Malaysia and Philippines. However, the orders have increased since the easing of the lockdown restrictions.

Given that the pandemic is still on-going, it is uncertain whether the demand can be sustained. The continuing trade war may also affect Telford Group's business.

Question 3: a) What is the progress of offer for DGI? When is the deadline the company needs to make the delisting offer?

b) What is the timeline for the exit offer for DGI as there has already been a long passage since the intention to make an offer has been announced?

Company's Response:

We are not aware of any deadline. The Company has several rounds of discussion with SGX and continues to work on the DGI exit proposal and we will keep our shareholders updated at the appropriate time.

Question 4: Would the management disclose the profit before tax of the Telford Group for FY 2019 as it had done for FY 2017 (\$6.7m) on page 13 of its circular dated 12 July 2018 on the proposed disposal of STI?

The Chairman said in the statement in the annual report page 3 that "our core businesses in Telford remained stable ...". It would be more illuminating to provide more information on profitability as it had done so in the past as in the circular dated 12 July 2018. A summary statement on total assets and total liabilities of the Telford Group would also be helpful.

Company's Response:

Profit before tax of Telford Group for FY2019 was S\$4.8m.

Net asset value for Telford Group as at 31 December 2019 was S\$38.7m.

Question 5: a) Could you share the progress of Eocell's Solid-State Battery development program? Has it been being successfully deployed in YLE's fleet of vehicles?

b) Would the management elaborate more on the stage of Eocell R&D progress as to whether any product has reached commercialisation and the role and participation of the Chinese investor in Eocell?

Company's Response:

Solid state battery with 300 Whr/kg energy density or more is part of EoCell 3rd generation R&D road map down the road. Although there has been some R&D in this area, the current priority is to find customers to commercialize/monetise its 1st Generation Lithium ion battery with silicon/graphite anode with energy density 245-250 Whr/kg. R&D is continuing on the current product to further improve its performance and on 2nd Generation batteries with energy density between 260-280 Whr/kg with improved chemistry.

Eocell is currently collaborating with YLE to commercialise and mass produce (in smaller quantities) 1st Gen SCN anode material until a big customer is found. Currently, there is no plan for YLE to use Eocell's battery in their vehicles although discussions have taken place between the parties.

Question 6: As of company's quarterly update on 14th May, has the company received the final payment S\$2.1m from the STI disposal?

Company's Response:

Yes, the Company has received the final payment of S\$2.4m from the STI disposal.

Question 7: Are there any more contingent liabilities / warranties claims etc that could arise from the STI disposal?

Company's Response:

ASTI Group had undertaken to bear the legal cost and outcome of legal action taken by a sale representative against STI Group on 27 April 2018. The amount that they are claiming is up to S\$650,000. The Group has appointed a legal counsel to file a defence against the claim. A trial date has not yet been set. The legal counsel has opined that it is difficult to provide an evaluation of the probability of a favourable or unfavourable outcome or an estimate of the amount or range of potential loss as it is still in preliminary stage and no provision for any liability has been made in the financial statements.

Question 8: Has the company received the proceeds from the sale of 16 units of plant and machinery? What are the net proceeds from this sale?"

Company's Response:

Yes, the Company has received the net proceeds of S\$3.7m from the disposal of plant and machinery.