

**RESPONSE TO QUESTIONS FROM SECURITIES INVESTORS  
ASSOCIATION (SINGAPORE) IN RELATION TO ANNUAL REPORT FY2023**

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The Board of Directors (“**Board**”) of ASTI Holdings Limited (“the **Company**” or “**ASTI**”, and together with its subsidiaries, the “**Group**”) wishes to provide the below response to the questions received from Securities Investors Association (Singapore) in respect of the Annual Report FY2023.

**Question 1**

The annual general meeting for the financial year ended 31 December 2023 will be held on 28 February 2025. The independent auditor has issued a qualified opinion on the company’s FY2023 financial statements. A disclaimer of opinion was also issued on the FY2022 financial statements. The current board of directors, appointed on 15 and 16 January 2024, is reviewing past corporate and business dealings.

The company last provided shareholders with its interim financial statements (for the six months ended 30 June 2024) on 26 September 2024 and a quarterly update on 13 November 2024.

**i        When does the company expect to release the financial statements for FY2024?  
Has the board faced any challenges in its financial reporting?**

**Company’s Response**

Barring any unforeseen circumstances, the Company expects to announce the unaudited results for FY2024 on 28 February 2025.

The current Board was appointed on 16 January 2024. At that time, the Company had not completed its annual general meeting for FY2021 and no auditors were appointed by the shareholders. The Company was substantially late in meeting its financial reporting obligations at that time.

Given the circumstances under which the current Board took over the Company, the Board faced substantial challenges in its financial reporting obligations. Over the past 13 months, the new Board has taken steps to complete its AGM for FY2021, appoint new auditors, Forvis Mazars LLP on 15 May 2024, complete the audit and hold its AGM for FY2022 on 30 September 2024 and has now completed the audit and will be holding its AGM for FY2023 on 28 February 2025.

ii **What progress has been made in the review of past corporate and business dealings under the previous board? When can shareholders expect the findings?**

**Company's Response**

As mentioned in the Annual Report for FY2023, the Company is in the process of reviewing the corporate and business dealings and transactions of the Group under the previous Board of Directors. The Company has appointed independent professionals and will make the necessary announcements if there are material findings arising from the review.

**Question 2**

In the letter to shareholders, the chairman and chief executive officer noted that soft demand for standard IC chips has created challenges for the assembly, testing and packaging sector. As a result, the board expects sales and profitability to remain under pressure in FY2024 and FY2025. The Group's core operations appear to be heavily concentrated in the Philippines, where it derives most of its revenue.

**34. Segment information (Continued)**

Geographical information

Revenue and non-current assets are based on the geographical location of the entities as follows:

	Revenue		Non-current assets	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
China	4,809	9,150	181	289
Singapore	784	1,100	2,675	5,023
Malaysia	2,927	3,662	645	752
Philippines	34,298	43,571	23,740	29,447
United Kingdom	2,034	2,478	2,156	1,641
Others	6,108	7,045	207	379
	<u>50,960</u>	<u>67,006</u>	<u>29,604</u>	<u>37,531</u>

i **Can the company (re)state the group's competitive advantage and unique value proposition in the Backend Equipment Solutions and Technologies (BEST) segment?**

**Company's Response**

The Company provides tape and reel services to customers in the semiconductor sector. These services represent the final packaging stage in semiconductor manufacturing.

Our key competitive advantage lies in our long-standing relationships with customers, particularly in the Philippines, where our factory is strategically located in close proximity to major customers. Additionally, our employees have the necessary technical skills and experience to meet customer requirements.

Our strategy is to maintain and strengthen our business framework by collaborating with equipment manufacturers, continue to expand customer base while focusing on cash preservation and cost-cutting measures. At the same time, we continue to explore new growth opportunities to enhance our long-term sustainability.

**ii What is the latest market sentiment on the ground in the Philippines and how has the global semiconductor supply chain shift affected the group's operations?**

**Company's Response**

Our major customers which are based in the Philippines, continue to face post-pandemic inventory corrections and excess inventory, leading to a sustained decline in order volumes. This situation has been exacerbated by geopolitical tensions, which have further weighed on customer spending. Additionally, the cyclical downturn in the semiconductor industry has adversely impacted our business across all the countries in which we operate.

The global semiconductor supply chain shift has minimum impact on the Group's business as of now. The decline in the Group's revenue was mainly attributed to the slowdown in the semiconductor industry.

**iii Over the past year, has the new management team fine-tuned operations and refined the strategic direction?**

**Company's Response**

Since the new Board and management took over in January 2024, significant efforts have been dedicated to addressing legacy issues, including addressing the Company's financial reporting obligations, recovering outstanding debts, and streamlining operations across the various countries in which we operate.

As part of our cost-cutting measures amid the ongoing downturn in the semiconductor sector, we implemented workforce reductions, downsized factory spaces, and consolidated facility operations in FY2024. However, these restructuring efforts will take time to yield tangible results and are expected to be only reflected from the second half of FY2025.

The Company is also exploring new revenue streams to add to its existing business.

**Question 3**

On 6 June 2022, the company received a delisting notification from SGX-ST, and trading in the company's shares ceased on 5 July 2022.

**i Under the leadership of the new board and management, is the company actively appealing the delisting notification?**

**Company's Response**

The Company is seeking advice and considering all options which are in the best interests of shareholders and has not ruled out the possibility of appealing the delisting notification. The Company will update shareholders on any material developments.

**ii If not, how is the board working with the company or the controlling shareholder to provide a fair and reasonable exit offer to shareholders? When will the details of the exit offer be disclosed?**

**Company's Response**

Not applicable.

**iii What measures has the board taken to safeguard minority shareholder interests in the exit offer, particularly in determining a fair valuation in the offer terms?**

**Company's Response**

If the Company receives an exit offer, the Company will take the necessary steps to ensure that minority shareholder interests are safeguarded including the appointment of an Independent Financial Advisor for the transaction.

**By Order of the Board**

Ng Yew Nam  
Executive Chairman & CEO  
ASTI Holdings Limited  
27 February 2025