

ASIATIC GROUP (HOLDINGS) LIMITED
(Company Registration Number 200209290R)
(Incorporated in the Republic of Singapore)

SETTLEMENT OF S\$500,000 DEPOSIT BY WAY OF ISSUANCE OF 185,185,185 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0027 PER SHARE

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or "**Directors**") of Asiatic Group (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its previous announcement dated 18 January 2022, 14 March 2022, 9 May 2022, 10 May 2022, 13 July 2022 and 14 July 2022, in relation to the restructuring framework agreement ("**Restructuring Framework Agreement**") entered into with Lecca Group Pte. Ltd. (the "**Investor**") in connection with Maju Intan Biomass Energy Sdn. Bhd. ("**MJE**") ("**Announcements**"). The Restructuring Framework Agreement sets out, amongst others, a framework for the debt restructuring proposal in respect of MJE, which is to be approved by the Financiers ("**MJE Debt Restructuring**"). Save as expressly stated or the context otherwise requires, capitalised terms shall have the same meanings ascribed to them in the Announcements.
- 1.2. Pursuant to the Restructuring Framework Agreement, the Investor paid a refundable deposit of S\$500,000 ("**Deposit**") to the Company, which was received by the Company on 11 May 2022. In accordance with the terms of the Restructuring Framework Agreement, a restructuring proposal was submitted to the Financiers but as previously announced by the Company, the Financiers has rejected the proposal. Pursuant to the Restructuring Framework Agreement, the Company will be required to refund the Deposit to the Investor in the event the Company does not receive written approval from the Financiers for the MJE Debt Restructuring on or before 11 November 2022, being six (6) months from the date of the Restructuring Framework Agreement ("**Long-Stop Date**").
- 1.3. Notwithstanding anything contained in the Restructuring Framework Agreement, the Company and the Investor have agreed that the Deposit shall be fully and finally settled by the issuance and allotment by the Company to the Investor or at the option of the Investor, its wholly-owned subsidiary, Lecca Capital Pte. Ltd. (the "**Recipient**") of 185,185,185 new ordinary shares ("**Settlement Shares**") at a mutually agreed issue price of S\$0.0027 per Settlement Share ("**Issue Price**") ("**Settlement Share Issue**") instead of refunding the Deposit. Accordingly, the Company entered into a deed of settlement with the Investor on 13 January 2023 (the "**Settlement Deed**") to document their mutual understanding in respect of the issuance of the Settlement Shares.
- 1.4. Pursuant to the Settlement Deed, the Investor has instructed the Company to issue and allot the Settlement Shares to the Recipient as full and final repayment of the Deposit.
- 1.5. The Settlement Shares shall be issued pursuant to the general share issue mandate approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of Company held on 29 September 2022 ("**2022 AGM**") ("**General Mandate**"). The General Mandate authorises the Director to, *inter alia*, allot and issue new ordinary shares in the capital of the Company ("**Shares**"), provided that such number of new Shares to be issued on a non pro rata basis does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2022 AGM. As at the date of the 2022 AGM, the Company had 1,556,426,688 Shares in issue and accordingly, the maximum

number of shares that the Company may issue on a non pro rata basis under the General Mandate is 778,213,344 Shares.

- 1.6. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate and accordingly, the proposed issue of 185,185,185 Settlement Shares pursuant to the Proposed Settlement will fall within the maximum number of Shares which may be issued on a non pro rata basis authorised under the General Mandate.

2. SETTLEMENT DEED

- 2.1. Pursuant to the Settlement Deed:

2.1.1 the Deposit, being S\$500,000, will be fully settled and satisfied by the Settlement Share Issue.

2.1.2 upon completion of the Settlement Share Issue in accordance with the terms of the Settlement Deed, the Deposit shall be deemed to be repaid to the Investor and shall be considered fully and finally settled,

(the "**Proposed Settlement**").

- 2.2. Please refer to paragraph 5 of this announcement for further information on the Settlement Share Issue.
- 2.3. Please refer to Appendix A of this announcement for the current and expected shareholding interests of the Recipient in the Company before and after the completion of the Proposed Settlement.

3. THE INVESTOR AND THE RECIPIENT

The information herein is based on information provided by and / or representations made by the Investor. The Company and the Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

- 3.1. The Investor, a party to the Restructuring Framework Agreement, is a Singapore-based investment holding company focused on managing and optimizing assets, providing business solutions, and creative operational excellence. The Investor's investments and businesses include food and beverage, distribution, logistics, reimagined retail & e-commerce, energy and green industries in Singapore and Malaysia. The Recipient, a company incorporated under the laws of Singapore, is a wholly-owned subsidiary of the Investor which holds all of the investments of the Investor. The Investor was introduced to the Company by the Company's Managing Director, Mr Tan Boon Kheng. Mr Tan Boon Kheng got to know the Investor through his extended business network.
- 3.2. As at the date of this announcement, the Investor, the Recipient and their respective directors do not hold, directly or indirectly, any shares in the Company. The Investor and Recipient are not interested persons as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and do not fall under the class of restricted persons as specified in Rule 812 (1) of the Catalyst Rules.

- 3.3. The Investor and the Recipient have confirmed that the subscription of the Settlement Shares are for their own investment purposes and the Recipient is subscribing for the Settlement Shares as principal and for its own benefit and is not acting in concert with any other person or company, and have not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation to the Company's shares, within the definition of the Singapore Code on Take-overs and Mergers ("**Take-over Code**").
- 3.4. To the best of the knowledge of the Directors and save as disclosed above, the Investor and Recipient do not have any other connections (including business relationships) with the Company, the Group, the Directors and substantial shareholders of the Company.

4. CONDITIONS PRECEDENT

4.1. Conditions

The Proposed Settlement is conditional upon, and subject to, *inter alia*, the following:

- 4.1.1 due diligence on the Investor and the Recipient being satisfactory to the Company and its sponsor;
- 4.1.2 the receipt of the listing and quotation notice ("**LQN**") from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Settlement Share Issue) for the dealing in, listing of and quoting of the Settlement Shares on the Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company and the Investor;
- 4.1.3 the General Mandate being in full force and effect and not revoked as at the completion of the Proposed Settlement ("**Completion**");
- 4.1.4 the allotment and issue of the Settlement Shares to the Recipient not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Settlement Deed by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company, the Investor or the Recipient;
- 4.1.5 all other approvals, confirmations, authorisations, registrations, licences, waivers and/or consents (whether governmental, corporate or otherwise or from financial institutions or any third parties) which are necessary to be obtained in respect of or in connection with the Proposed Settlement being granted or obtained, and the same remaining in full force and effect and not being withdrawn or amended on or before Completion, and to the extent that such approvals, confirmations, authorisations, registrations, licences, waivers and/or consents are subject to any conditions required to be fulfilled before Completion, all such conditions having been duly so fulfilled; and
- 4.1.6 the Company and/or Investor not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Settlement Deed, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened,

(collectively, the "**Settlement Conditions**").

4.2. **Completion**

Completion is expected to take place on the fifth business day after the date on which all of the Settlement Conditions have been fulfilled (unless waived) and at such place and time as shall be mutually agreed in writing between the Company and the Investor.

5. **OVERVIEW OF THE PROPOSED SETTLEMENT**

5.1. **Key Terms of the Proposed Settlement**

5.1.1 Settlement Shares

An aggregate of 185,185,185 Settlement Shares will be issued to the Recipient. Please refer to Appendix A of this announcement for the shareholding interests of the directors and substantial shareholders of the Company, prior to and upon Completion.

The Settlement Shares represent approximately 11.9% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company of 1,556,426,688 Shares as at the date of this announcement and approximately 10.6% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company of 1,741,647,873 Shares following Completion.

The Settlement Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that the Settlement Shares will not rank for any dividends, rights, allotments, or other distributions, the record date for which falls on or before the date of the allotment and issue of the Settlement Shares.

The Proposed Settlement will not result in the transfer of a controlling interest in the Company. Sincom Holdings Pte. Ltd will remain the single largest shareholder of the Company holding an approximately 13.3% shareholding interest in the Company after the Proposed Settlement.

5.1.2 Issue Price

The Issue Price of the Settlement Shares is S\$0.0027.

The Issue Price of S\$0.0027 per Settlement Share represents a discount of 10% to the volume weighted average of the Shares of S\$0.003 per Share for trades done on the SGX-ST on 13 January 2023, being the full market day on which the Settlement Deed was entered into by parties.

The Issue Price was commercially agreed between the Company and the Investor after arm's length negotiations, prevailing market conditions and future prospects of the Group.

5.1.3 Discharge of the Restructuring Framework Agreement

The Restructuring Framework Agreement will be discharged and the Investor shall have no actions, claims, rights or demands against the Company, upon the issuance of the Settlement Shares. In respect of the MJE Debt Restructuring, the Company has yet to submit a revised restructuring proposal to the Financiers since the Financier's rejection to the previously submitted proposal in July 2022 and is exploring various fundraising options and is currently in discussions with the Investor and Financiers in respect of an alternate restructuring plan. Discussions between the Company, the Investor and the Financiers are still in its preliminary stages, and at this juncture, the Company is unable to confirm if the alternate restructuring plan will come to fruition. Further announcement will be made in the event that the terms of the MJE Debt Restructuring are finalised with the relevant parties.

5.1.4 No Placement Agent

The Company has not engaged a placement agent for the Proposed Settlement and the Proposed Settlement is non-underwritten.

5.2. **Approvals**

5.2.1 Additional Listing Application

The Company will apply to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the dealing in, listing and quotation for the Settlement Shares on the Catalist. The Company will make the necessary announcement upon receipt of the LQN from the SGX-ST.

5.2.2 Exemption from Prospectus Requirement

The Settlement Shares are offered to the Recipient for subscription by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act 2001. Hence, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore or the SGX-ST in connection with the issue of the Settlement Shares.

6. **RATIONALE FOR THE PROPOSED SETTLEMENT AND USE OF PROCEEDS**

Pursuant to the Restructuring Framework Agreement, as the restructuring proposal submitted has been rejected by the Financiers, the Investor is entitled to a refund of the Deposit and the Proposed Settlement therefore represents a means for the Company to settle the outstanding Deposit owed to the Investor pursuant to the Restructuring Framework Agreement. The discount of the Issue Price from the weighted average price of the Company's shares for trades done on 13 January 2023 should be viewed in the context of the above settlement arrangement that the Company has been able to negotiate for with the Investor and represents the settlement of the Deposit.

The Proposed Settlement will also allow the Company to conserve its cash for its business operations. Further, as the Investor is in discussions with the Company and the Financiers on an alternate restructuring plan in respect of the MJE Debt Restructuring, the Proposed Settlement will align the interests of the Investor with the Group and further incentivise the Investor to assist the Company in the MJE Debt Restructuring. However, discussions between the Company, the Investor and the Financiers are still in its preliminary stages, and at this juncture, the Company is unable to confirm if the alternate restructuring plan will come to fruition.

Taking in all of the above considerations in totality, the Board is of the view that the Proposed Settlement is in the best interests of the Shareholders.

As the Settlement Shares will be issued in settlement of the Deposit, no new proceeds will be raised from the Proposed Settlement. The Company has applied the Deposit in the MJE Debt Restructuring being a refundable deposit to the lead Financier, Maybank Islamic Berhad, in connection with the MJE Debt Restructuring.

Should the MJE Debt Restructuring proceed, the refundable deposit will be used as part of the debt settlement.

Should the MJE Debt Restructuring not proceed, the refundable deposit will be refunded to the Company and utilised as working capital of the Company. However, the Financiers may enforce the corporate guarantee provided by the Company in respect of certain debts of MJE ("**Corporate Guarantee**").

7. FINANCIAL EFFECTS OF THE PROPOSED SETTLEMENT

7.1. Bases and assumptions

The *pro forma* financial effects of the Proposed Settlement on the Group's net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") presented below are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Settlement.

The financial effects of the Proposed Settlement on the Group have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2022 ("**FY2022**") and the following bases and assumptions:

- (a) the expenses incurred in connection with the Proposed Settlement amount to be approximately S\$30,000;
- (b) the financial effect on the NTA per Share is computed based on the assumption that the Proposed Settlement was completed on 31 March 2022; and
- (c) the financial effect on the LPS is computed based on the assumption that the Proposed Settlement was completed on 1 April 2021.

7.2. NTA per Share

	Before the Proposed Settlement	After the Proposed Settlement
NTA attributable to owners of the Company (S\$)	16,211,000	16,711,000
Number of Shares	1,556,462,688	1,741,647,873
NTA per Share (S\$)	0.010	0.010

7.3. LPS

	Before the Proposed Settlement	After the Proposed Settlement
Loss after income tax attributable to owners of the Company (S\$)	8,198,000	8,228,000
Number of Shares	1,556,462,688	1,741,647,873
LPS (S\$)	0.005	0.005

8. DIRECTORS' CONFIRMATION

The Directors are of the opinion that:

- (a) after taking into consideration the Group's present bank facilities prior to the entry of the Settlement Deed and subject to (i) the Financiers not enforcing the Corporate Guarantee; and (ii) Kampuchea Tela Limited ("**Tela**") not enforcing their request of repayment of the outstanding amount (as previously announced), the working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into consideration the Group's present bank facilities, and subject always that (i) the Deposit will be repaid to the Investor by way of Settlement Shares and not in cash; (ii) the Financiers do not enforce the Corporate Guarantee; and (iii) Tela does not enforce their request of repayment of the outstanding amount (as previously announced), the working capital available to the Group is sufficient to meet its present requirements.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Settlement, other than in their capacity as Director or Shareholder.

The interests of the Directors and the substantial shareholders of the Company as at the date of this announcement are set out in Appendix A.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Settlement Deed is available for inspection by the Shareholders at the registered office of the Company at 65 Joo Koon Circle, Singapore 629078 during normal office hours for three (3) months from the date of this announcement.

11. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Settlement, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Settlement will proceed to completion, as completion is subject to, *inter alia*, fulfilment of all the Settlement Conditions. Shareholders are advised to read this announcement, any further announcements and the Circular by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order of the Board

Tan Boon Kheng
Managing Director
17 January 2023

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg

APPENDIX A

Interests of Directors, substantial shareholders and the Recipient as at the date of this announcement

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors				
Mr. Tay Kah Chye	1,600,000	-	1,600,000	0.10
Mr. Tan Boon Kheng	141,156,004	-	141,156,004	9.07
Mr. Tan Boon Siang	140,232,000	-	140,232,000	9.01
Mr. Chia Soon Hin William	-	-	-	-
Mr Yip Mun Foong, James	-	-	-	-
Substantial shareholders (other than Directors)				
Sincom Holdings Pte. Ltd.	232,000,000	-	232,000,000	14.91
Twinkle Investment Pte. Ltd.	194,000,000	-	194,000,000	12.46
Stephen Leong ⁽²⁾	-	-	232,000,000	14.91
Neo Kah Kiat ⁽³⁾	-	-	194,000,000	12.46
Liew Oi Peng ⁽³⁾	-	-	194,000,000	12.46
Recipient				
Lecca Capital Pte. Ltd.	-	-	-	-

Notes:-

- (1) The percentage of shareholdings is computed based on the present issued and paid up share capital of the Company comprising 1,556,462,688 ordinary shares before the Proposed Settlement.
- (2) Mr Stephen Leong is the sole director and sole shareholder of Sincom Holdings Pte. Ltd. and is deemed interested in 232,000,000 shares held by Sincom Holdings Pte. Ltd.
- (3) Mr Neo Kah Kiat and Ms Liew Oi Peng are the directors and shareholders of Twinkle Investment Pte. Ltd. and are deemed interested in 194,000,000 shares held by Twinkle Investment Pte. Ltd.

Interests of Directors, substantial shareholders and the Recipient after the Proposed Settlement

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors				
Mr. Tay Kah Chye	1,600,000	-	1,600,000	0.09
Mr. Tan Boon Kheng	141,156,004	-	141,156,004	8.10
Mr. Tan Boon Siang	140,232,000	-	140,232,000	8.05
Mr. Chia Soon Hin William	-	-	-	-
Mr Yip Mun Foong, James	-	-	-	-
Substantial shareholders (other than Directors)				
Sincom Holdings Pte. Ltd.	232,000,000	-	232,000,000	13.32
Twinkle Investment Pte. Ltd.	194,000,000	-	194,000,000	11.14
Stephen Leong ⁽²⁾	-	-	232,000,000	13.32
Neo Kah Kiat ⁽³⁾	-	-	194,000,000	11.14
Liew Oi Peng ⁽³⁾	-	-	194,000,000	11.14
Recipient				
Lecca Capital Pte. Ltd.	185,185,185	185,185,185	185,185,185	10.63

Notes:-

- (1) The percentage of shareholdings is computed based on the present issued and paid up share capital of the Company comprising 1,741,647,873 ordinary shares after the Proposed Settlement.
- (2) Mr Stephen Leong is the sole director and sole shareholder of Sincom Holdings Pte. Ltd. and is deemed interested in 232,000,000 shares held by Sincom Holdings Pte. Ltd.
- (3) Mr Neo Kah Kiat and Ms Liew Oi Peng are the directors and shareholders of Twinkle Investment Pte. Ltd. and are deemed interested in 194,000,000 shares held by Twinkle Investment Pte. Ltd.