

ASIATIC GROUP (HOLDINGS) LIMITED

(Company Registration Number 200209290R)

(Incorporated in the Republic of Singapore)

SETTLEMENT OFFER FOR AMOUNT DUE TO FINANCIER OF MAJU INTAN BIOMASS ENERGY SDN BHD ("MJE") AND PROPOSED DISPOSAL OF SHAREHOLDING IN MJE

- **SGX WAIVER FROM REQUIREMENT TO COMPLY WITH RULE 1014(5) OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") (THE "CATALIST RULES")**

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 8 May 2023 (the "**Announcement**"), in relation to, inter alia, the Proposed Disposal.

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Asiatic Group (Holdings) Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to the Announcement and wishes to announce that the Company (through its sponsor) had on 16 May 2023 and in relation to the Proposed Disposal, submitted an application to the SGX-ST to seek a waiver from compliance with Rule 1014(5) of the Catalist Rules (the "**Waiver**").

2. RULE 1006 OF THE CATALIST RULES

- 2.1 As stated in the Announcement, the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules for the Proposed Disposal are as follows:

Rule 1006	Bases	Relative Figures (%)
		Proposed Disposal
(a)	The aggregate value of the assets to be disposed of, compared with the Group's (as defined below) net asset value	-4.79 ⁽¹⁾
(b)	Net loss attributable to the assets disposed of, compared with the Group's net loss	9.43 ⁽²⁾
(c)	The aggregate value of the consideration "given", compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	656.34 ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) MJE's audited accounts as at 31 March 2022, have been used for the purpose of above computations as MJE was under receivership effective from 14 July 2022. The aggregate value of MJE is negative S\$997,000 (adjusted assuming the waiver of Related Parties Amount has taken place) as at 31 March 2022 compared with the Group's net asset value of S\$20,837,000 as at 31 March 2022.

- (2) The net loss attributable to the assets disposed of as of 31 March 2022 was negative S\$1,078,000, compared with the Group's net loss as of 31 March 2022 of negative S\$11,435,000.
- (3) Taking into account the waiver of the Related Parties Amount, the consideration "given" for the Proposed Disposal is approximately S\$22,900,000. The foregoing computation and description are solely for the purpose of computation of the relative figures under Rule 1006(c) and it is not to be taken legally as the Company will be giving consideration under the SPA. Legally, it remains that the Company will receive RM 10 consideration under the SPA. The Company's market capitalisation is approximately S\$5,200,000 based on its total number of Shares of 1,741,647,873 and the weighted average price of S\$0.002 per Share on 5 May 2023, being the last traded market day prior to the date of the SPA. The consideration received is RM 10.00.
- (4) Rule 1006(d) of the Catalist Rules is not applicable as the Proposed Disposal does not involve an issuance of equity securities.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

2.2 The waiver of the Related Parties Amount has been consolidated into the consideration under Rule 1006(c) of the Catalist Rules. Accordingly, the consideration "given" is computed to be 656.4% of the Company's market capitalisation based on the total number of issued shares excluding treasury shares.

2.3 As above, the relative figure computed on the basis of Rule 1006(c) exceeds 75% and, *prima facie*, the requirement under Rule 1014(5) of the Catalist Rules applies to the Company in respect of the Proposed Disposal. Accordingly, the Company is required under Rule 1014(5) of the Catalist Rules to appoint an independent valuer to value the assets to be disposed.

3. REASONS FOR WAIVER

As at 31 October 2022, MJE owes Colben Energy (Singapore) Pte. Ltd. and CEH the Related Parties Amount, being RM 2,247,821.94 and RM 68,798,492.62 respectively, as a result of extended funding to MJE over the years for the purposes of MJE's working capital requirements and capital investment. As the Related Parties Amount was considered to be a sunk cost to the Group and due to MJE being put under receivership, the Related Parties Amount was deemed by the Board to have no value, and was consequently written off. As such, the Company had sought the Waiver for the following reasons:

- (a) as explained under Note 3 of paragraph 2.1 above, the actual consideration to be paid by EM pursuant to the SPA is a nominal consideration of RM 10.00. However, the relative figure calculated takes into account the waiver of the Related Parties Amount which caused the "consideration given" for the Proposed Disposal to be approximately S\$22,900,000, and inflated the relative figure to cross the 75% threshold. For avoidance of doubt, if the waiver of the Related Parties Amount was not taken into account, none of the computation under Rule 1006 of the Catalist Rules would have crossed 75% and the requirement to appoint an independent valuer pursuant to Rule 1014(5) of the Catalist Rules would not have arisen. The Related Parties Amount was impaired under the Company's accounts in FY2022;
- (b) MJE is currently under receivership and is unable to pay its secured creditor, Maybank, and there will not be any distribution to unsecured creditors, including the Group, if MJE is liquidated. Accordingly, the Related Parties Amount has no value; and
- (c) Maybank requires the Settlement Sum, and to facilitate the payment accordingly, *inter alia*, the Proposed Disposal, the Group's Co-Funding, and the Proposed Rights Issue (as announced on 31 March 2023), wherein the undertaking shareholders has committed to subscribe S\$3,300,000 under minimum subscription scenario mainly to be utilised for CEH's share of the Settlement Sum of RM 14,500,000 or approximately S\$4,500,000, are to be completed by the end of June 2023. The Group is also desirous

and aims to complete the Settlement for a clean exit from MJE as explained above and in the Announcement.

4. RECEIPT OF SGX WAIVER

- 4.1 The Board wishes to announce that the Company had, on 1 June 2023, received a letter from the SGX-ST informing the Company that the SGX-ST had no objections to granting the Waiver subject to the following conditions:
- (a) the Company making an immediate announcement on the Waiver granted by the SGX-ST, including reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and whether the said conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
 - (b) the Company's confirmation that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors.
- 4.2 The Waiver will not be effective if any of the abovementioned conditions have not been fulfilled, and the Company is required to make an immediate disclosure via SGXNET if it is/will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Waiver.
- 4.3 The reasons for seeking the Waiver have been disclosed in paragraph 3 of this announcement. Further, the Company confirms that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors.
- 4.4 As at the date of this announcement, the Waiver conditions have been fulfilled.

5. EXTRAORDINARY GENERAL MEETING

The Company will be convening the EGM in due course for the purpose of seeking shareholders' approval for the Proposed Disposal and accordingly, the Company will in due course despatch the circular containing information relating to the Proposed Disposal.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update its Shareholders as and when there are material updates or developments in connection with the Proposed Disposal.

By Order of the Board

Tan Boon Kheng
Managing Director
5 June 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

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