

## ASIATIC GROUP (HOLDINGS) LIMITED

(Company Registration No: 200209290R)  
(Incorporated in the Republic of Singapore)

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### ENTRY INTO A NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED DISPOSAL OF SHARES AND ANY CONVERTIBLE BONDS HELD BY COLBEN ENERGY HOLDINGS (MAJU INTAN) LTD IN MAJU INTAN BIOMASS ENERGY SDN BHD TO BIO ENECO SDN BHD OR ITS AFFILIATE

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#### INTRODUCTION

1. The board of directors (the "**Directors**" or the "**Board**") of Asiatic Group (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Colben Energy Holdings (Maju Intan) Ltd ("**MJEH**"), a wholly owned subsidiary of the Company, has on 20 November 2019, entered into a non-binding term sheet (the "**Term Sheet**") with Bio Eneco Sdn Bhd ("**Bio Eneco**") in relation to the proposed disposal ("**Proposed Disposal**") of all shares and convertible bonds held by MJEH in Maju Intan Biomass Energy Sdn Bhd ("**MIB**") to Bio Eneco or its affiliate (the "**Buyer**"). Due to commercial sensitivity, the final aggregate value of consideration vis-a-vis of the value of the MIB would be appropriately disclosed upon entry of Definitive Agreements (as defined below).

#### TERM SHEET

2. As at the date of this announcement, MJEH owns 30% of the total issued and paid up share capital of MIB and 12% per annum convertible bonds ("**Convertible Bonds**") which were issued by other shareholders of MIB with maturity date on the twelve anniversary date of the issue date (in 2022) at an issue price of 100% of the principal amount of the bonds. The Convertible Bonds are convertible into ordinary shares of MIB and/or new ordinary shares of such issuer of the Convertible Bonds (where applicable) on certain events of redemption such as initial public offering and insolvency of MIB. Interest of the convertible bonds have been waived until the underlying project for which the proceeds of the bonds to be utilised is completed. For illustration purposes only, assuming the Proposed Disposal is completed and the Buyer converts the Convertible Bonds into ordinary shares of MIB on the date of this announcement, the Buyer will own 75% of the issued and paid up share capital of MIB.
3. The Term Sheet is not legally binding save for the provisions relating to costs, confidentiality, duration and exclusivity, governing law and dispute resolution and the Proposed Disposal is subject to negotiation and execution of definitive agreements (the "**Definitive Agreements**"). The Term Sheet sets out the key commercial terms as agreed between MJEH and Bio Eneco and the parties shall negotiate in good faith with the intention of executing the Definitive Agreements within 45 business days from the date of signing of the Term Sheet.

#### RATIONALE

4. The Board believes that the Proposed Disposal is in the best interests of the Group, providing an opportunity to dispose of the Group's interest in the loss making Maju Intan Biomass Power Plant (held by MIB) and enhance the long-term interests of the Group and its shareholders.

#### INFORMATION ON BIO ENECO

5. Bio Eneco is incorporated and registered in Malaysia and is a developer, manufacturer, and supplier of high-grade biomass fuels. Biomass fuel products include, Wood Pellet, Wood Chips, Palm Kernel Shell (PKS) & Empty Fruit Bunch (EFB) as well as biomass energy solutions.
6. Bio Eneco is not related to any of the Directors, substantial shareholders of the Company, or their respective associates. There is also no past or present connection (including business

relationship) between the Company, its subsidiaries, its Directors or substantial shareholders and Bio Eneco.

#### **DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST**

7. None of the Directors nor any substantial shareholder of the Company or their respective associates has any interest, whether direct or indirect, in the Proposed Disposal, save through their respective shareholding interests or directorships in the Company.

#### **FURTHER ANNOUNCEMENTS**

8. The Company will make further announcements as and when appropriate, including information required under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited, Listing Manual Section B: Rules of Catalist, when the Definitive Agreements have been entered into in relation to the Proposed Disposal.

#### **CAUTIONARY STATEMENT**

9. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. In particular, Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Definitive Agreements will be signed and/or the Proposed Disposal will be completed. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

#### **By Order of the Board**

Tan Boon Kheng  
Managing Director  
20 November 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).