ASIATIC GROUP (HOLDINGS) LIMITED
(Company Registration No.: 200209290R)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE LISTING MANUAL SECTION B: RULES OF CATALIST - EMPHASIS OF MATTER BY THE AUDITORS ON THE FINANCIAL STATEMENTS AS OF AND FOR FINANCIAL YEAR ENDED 31 MARCH 2014 ("FY2014")

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist, the Board of Directors of Asiatic Group (Holdings) Limited (the "**Company**") wishes to announce that the Company's Auditors, Messrs Ernst & Young LLP, have included an "emphasis of matter" in their Independent Auditors' Report relating the Group's negative working capital position (current assets less current liabilities) in respect of the Company's financial statements for FY2014 (the "**Financial Statements**"). Ernst & Young LLP's opinion is not qualified in respect of the matter. Please refer to the Independent Auditors' Report of the Financial Statements which is attached to this announcement.

On the continued financial support from the banks, a substantial part of the terms loans are secured by first fixed charge over its power plant assets and factory building and corporate guarantee provided by the Company and certain subsidiaries. The Group has obtained a new term loan of approximately S$3.15 million and also rolled over approximately S$11.9 million of short term loan subsequent to the year end. The Group is currently in the Net Asset position of S$55.7 million.

Based on the above facts presented, the Board of Directors is of the opinion that the Group will be able to fulfil its obligations for the next 12 months.

The Board of Directors of the Company wishes to advise the shareholders and investors of the Company to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director

7 July 2014

This announcement (the "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") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of the Announcement.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.