

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

**PROPOSED SUBSCRIPTION OF 232,000,000 NEW ORDINARY SHARES IN
THE SHARE CAPITAL OF THE COMPANY BY SINCOM HOLDINGS PTE. LTD.**

1. INTRODUCTION

- 1.1 The Board of Directors ("**Directors**") of Asiatic Group (Holdings) Limited ("**Company**", together with its subsidiaries, "**Group**") wish to announce that the Company has on 12 October 2018 entered into a conditional share subscription agreement ("**Subscription Agreement**") with Sincom Holdings Pte. Ltd. ("**Subscriber**") pursuant which the Subscriber has agreed to subscribe to 232,000,000 new ordinary shares in the capital of the Company ("**Subscription Shares**", each "**Subscription Share**") at S\$0.0165 per Subscription Share ("**Issue Price**") subject to the terms and conditions of the Subscription Agreement ("**Subscription**").
- 1.2 The Subscription Shares represent approximately 17.5% of the existing share capital of the Company and 14.9% of the share capital of the Company immediately after the completion of the Subscription.

2. TERMS OF THE SUBSCRIPTION AGREEMENT

2.1 Issue Price

The Issue Price of S\$0.0165 represents an approximately 65% premium to the weighted average price of approximately S\$0.0100 per share in the capital of the Company ("**Share**") for trades done in respect of the Shares on the Catalist of the SGX-ST on 12 October 2018, being the date of signing of the Subscription Agreement.

2.1 Salient Terms of the Subscription Agreement

Completion of the Subscription is conditional upon the satisfaction of the following conditions:

- (a) the listing and quotation notice ("**LQN**") being obtained from Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the Subscription Shares on the Catalist, and
- (b) the allotment and issue of the Subscription Shares to the Subscriber not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscriber.

2.3 Additional Listing Application

The sponsor of the Company ("**Sponsor**") will be submitting an application on behalf of the Company to the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist, and the Company will make the necessary announcement upon receipt of LQN.

2.4 Ranking of the Subscription Shares

The Subscription 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* in all respects with and shall carry all rights similar to the existing Shares

as at the date of allotment and issue of the Subscription Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of such Subscription Shares.

3. DETAILS REGARDING THE SUBSCRIBER

- 3.1 The Subscriber is a newly incorporated Singapore private limited company. Its sole director and shareholder is Mr Stephen Leong, BBM ("**Mr Leong**"). Mr Leong is not a person falling under categories set out in Rule 812(1) of the Catalist Rules.

Mr Leong has extensive experience in senior professional management in a variety of industries, including property related industries. In his various capacities as the director of Singapore Assurance Public Accounting Corporation from 2006 to 2015, managing director of Stephen McLaren Consultants Pte Ltd Group from 1985 to 2013 and chairman of Vistra (SEA) Pte Ltd from 2013 to 2016, Mr Leong had provided corporate and advisory services to a wide range of clients, including those involved in property development, investment and management. Mr Leong also has extensive experience with dealings in ASEAN member states, especially in Cambodia and Malaysia where he was involved in business and government consultancy projects. In addition, Mr Leong has been involved in property-related businesses as part of his personal investments.

- 3.2 The Subscriber was introduced by business associates of the Company's Managing Director. As of the date of the announcement, the Subscriber and its ultimate beneficial owner, does not hold any shares in the Company. No introducer fee or placement commission has been paid or will be payable by the Company for the Subscription.
- 3.3 Mr Leong was identified by the Company in a search for a strategic partner. The Directors are of the view that the Subscription will set a strong platform for a long term strategic alliance between Mr Leong and the Group in the fire protection business.
- 3.4 As at the date of this announcement, the Subscriber does not hold any Shares in the Company.
- 3.5 To the best of the Company's knowledge, the Subscriber does not have any connection (including business relationship) with the Company, its Directors and substantial shareholders and is not a person to whom the Company is prohibited from placing its Shares to, as provided for under Rule 812(1) of the Catalist Rules.

4. AUTHORITY FOR ISSUE OF SHARES

- 4.1 The Subscription Shares will be issued pursuant to the general share issue mandate approved by shareholders at the annual general meeting of the Company held on 26 July 2018 ("**General Mandate**"), which authorises the Directors to, *inter alia*, issue Shares whether by way of rights, bonus or otherwise provided that, *inter alia*, the aggregate number of shares and convertible securities to be issued other than on a *pro-rata* basis to existing shareholders shall not be more than fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company or such other limit as may be prescribed by the Catalist Rules as at the date the resolution was passed.
- 4.2 As at the date of the General Mandate, the number of issued and paid-up share capital of the Company comprised 1,324,462,688 Shares. Therefore, pursuant to the General Mandate, the maximum number of Shares which may be issued other than on a *pro-rata* basis is 662,231,344 Shares. As at the date of this announcement, the Company has not issued any new shares under the General Mandate. Accordingly, the issuance of the Subscription Shares falls within the limits of the General Mandate.

5. USE OF PROCEEDS

- 5.1 Assuming completion, the net proceeds from the Subscription after deducting professional fees and expenses is S\$3,768,000.00 ("**Net Proceeds**"). The Company intends to use the Net Proceeds as follows:
- (a) 58% of the Net Proceeds (S\$2,200,000.00) for reducing the Group's debts payables;
 - (b) 16% of the Net Proceeds (S\$600,000.00) for investment in new projects; and
 - (c) 26% of the Net Proceeds (S\$968,000.00) for the Group's working capital requirements.
- 5.2 Pending the deployment of the Net Proceeds for the purposes mentioned above, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, repay existing debt, or used for any other purpose on a short-term basis, as the Directors may, in its absolute discretion, deem appropriate in the interests of the Group.
- 5.3 The Company will make periodic announcements on the utilisation of the Net Proceeds from the Subscription as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in the its interim and full-year financial results announcements issued under Rule 705 of the Catalist Rules and its annual report. Where the Net Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

6. FINANCIAL EFFECTS

- 6.1 The financial effects of the Subscription are set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following the completion of the Subscription.
- 6.2 As at the date of this announcement, the issued and paid-up share capital of the Company is S\$48,434,469.75, comprising 1,324,462,688 shares. Assuming that the Subscription Shares are allotted and issued, the issued and paid-up share capital of the Company will increase to approximately S\$52,262,469.75 comprising 1,556,462,688 shares.
- 6.3 Based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2018, the Group's net asset value ("**NAV**") per Share and earnings per Share ("**EPS**") were approximately S\$56,051,159.38 and S\$0.07 respectively. Assuming that the Subscription was completed on 1 April 2017 with the Subscription Shares being in issue during the period, the Group's EPS will be S\$0.06. Assuming that the Subscription was completed on 31 March 2018, the Group's NAV per Share after adjusting for the Subscription Shares will be S\$59,879,159.38.

7. DIRECTORS' CONFIRMATION

The Directors are of the opinion that after taking into consideration the cash of the Group and the present bank facilities available to the Group, the working capital available to the Group as at the date of this announcement is sufficient to meet its present requirements. Notwithstanding the foregoing, the Directors are of the view that the Subscription will set a strong platform for a long term strategic alliance between the Subscriber and the Group in the fire protection business and the Subscription will strengthen the financial position of the Group and put it in a good stead to execute its business plans.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Subscription (other than through their respective shareholdings in the Company).

9. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during the normal business hours at the registered office of the Company at 65 Joo Koon Circle Singapore 629078 for a period of three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update shareholders as and when appropriate.

In the meantime, shareholders of the Company and potential investors should note that the Subscription is subject to the fulfilment of, inter alia, the conditions precedent set out in the Subscription Agreement and accordingly should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax, legal or other professional advisers.

11. 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 enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, 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 the announcement in its proper form and context.

By Order of the Board

Tan Boon Kheng
Managing Director
12 October 2018

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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

The Sponsor has not verified the contents of the Announcement. This Announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of the Announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in the Announcement.

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