

Media Release**Ref No. 01/2023****Asiatic Secures White Knight for Troubled Biomass Project**

- Asiatic to fully exit from beleaguered power plant project in Malaysia.
- Upon completion, Asiatic will be discharged of corporate guarantee in favour of Maybank.
- Claim of RM 122.2 million reduced to share of payment of RM 19.5 million.
- Group to focus on profitable Fire Protection Solutions business and adjacent opportunities.
- The proposed transactions are subject to shareholders' approval.

Singapore, 8 May 2023 – SGX listed Asiatic Group (Holdings) Limited (“**Asiatic**”) has reached an agreement with white knight Etagreen Management Sdn. Bhd. (“**Etagreen**”) to dispose all of Asiatic’s 30% shareholdings in Maju Intan Biomass Energy Sdn. Bhd. (“**MJE**”) to Etagreen at a nominal consideration of RM10.00, for financial support of approximately RM 34.5 million. MJE owns the Maju Intan Biomass Power Plant in Perak, Malaysia. When completed, the agreement will strengthen Asiatic’s financial position and allow it to refocus managerial attention and resources on its core firefighting and protection business which is profitable and has a track record of generating positive cash flow.

Asiatic had provided a corporate guarantee to assist MJE in obtaining financing for the construction of its biomass plant more than 10 years ago. The biomass plant had been unprofitable and Asiatic had written off all its investments in the plant from its books. However, attempts to restructure the biomass plant’s debts failed and Asiatic was called to repay approximately RM 122.2 million in July 2022. The amount was reduced to RM 54.5 million, including estimated costs of about RM 2 million, following a settlement reached between the creditor Maybank and the appointed receiver.

Under the white knight rescue deal secured by Asiatic today, Asiatic will now have to repay approximately 35% of the settlement sum or a reduced amount of RM 19.5 million including its share of costs while Etagreen will set aside RM 34.5 million for costs and repayment to Maybank. Etagreen is in the green environmental regeneration space and processes palm biomass to be used as fuel in power plants to produce green electricity. It has leased MJE’s power plant from MJE’s receivers. Mr Tan Boon Kheng, the Managing Director of Asiatic and Mr Tan Boon Yew, Director of a subsidiary of Asiatic, have personally paid an aggregate amount of RM 500,000 as part of the settlement.

Asiatic will recognize a one-time expense of RM 19.5 million and fund its share of payments from the proceeds of a proposed rights issue announced on 31 March 2023 and internal resources. Asiatic is proposing a rights issue of 13 rights shares for every 10 existing ordinary shares to raise proceeds of S\$3.3 million to S\$6.1 million, depending on the level of subscription by shareholders. Any shortfall will be financed by its positive cash flow from operations and unutilised borrowings currently available to Asiatic.

Mr Tan Boon Kheng, the Managing Director of Asiatic said, *“Despite improving profitability at our Fire Protection Solutions business in recent years, our share price continues to trade way below its book value. When completed, our exit from the Maju Intan Biomass Power Plant will reduce our contingent liabilities and improve our financial position. We will strive to take more strategic beneficial actions for the Group to unlock value for shareholders.”*

Following this white knight rescue, Asiatic will refocus back on the expansion of its Fire Protection Solutions business. Asiatic is working with a project partner to participate in the development of a fire intelligence and smart control system that can incorporate Asiatic's existing Fire Protection Solutions as part of an overall smart control of mechanical and electrical systems in buildings, to achieve energy savings.

After its sale of the MJE biomass plant, Asiatic will be left with only one remaining active power plant, located in the Phnom Penh Special Economic Zone in Cambodia, and it is reviewing its options and future plans for this remaining energy asset.

Separate announcements will be made as and when there are material developments.

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About Etagreen

Etagreen is a company in the green environmental regeneration space which processes palm biomass to be used as fuel in fired generating plants to produce green electricity. Their primary focus is on environmental consciousness and exploring alternative sustainable energy sources to achieve sustainable and viable green environmental practices.

About Asiatic

Asiatic provides total Fire Protection Solutions such as systems and product design, supply, installation and commissioning for the maintenance of fire protection equipment and systems. Asiatic manufacture most of its fire extinguishers and assemble most of its fire fighting products such as hose reels, hydrants, alarm systems and emergency lighting, under its brand name KILLFIRE.

Asiatic also provides planning and development services and participate as an equity investor in niche power plant projects in the region, where it operates as an EPC (engineering, procurement and construction) and O&M (Operation and Maintenance) contractor. It is currently streamlining its investments in the Energy sector.

Asiatic was listed on the Catalist Board of Singapore Exchange Securities Trading Limited in April 2003.

For more information, please visit www.asiatic.com.sg.

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