

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

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

The Board of Directors of Asiatic Group (Holdings) Limited (the "**Company**") and together with its subsidiaries the "**Group**") wishes to announce that the Company's independent auditor, Messrs Ernst & Young LLP (the "**Auditor**"), had included in their report a disclaimer of opinion (the "**Disclaimer**") in relation to the material uncertainty on the Group's ability to continue as a going concern, on the Group's audited financial statements for the financial year ended 31 March 2019 ("**FY2019**") (the "**Financial Statements**").

The Board wishes to highlight that the Auditor's opinion on the Financial Statements is now qualified. The Independent Auditor's Report and extract of the relevant notes 2.3 of the Financial Statements are annexed to this announcement.

With respect to the Group's going concern referred in the Disclaimer, in the opinion of the Board, the Group and Company is able to continue as a going concern despite the conditions as stated in the Disclaimer as the Board is confident that the Group will continue to receive financial support from the banks.

As further disclosed in Note 24, the Group has commenced discussions with the bank, and is confident, to waive the financial covenants of a subsidiary that were not met. There will be continued support from the existing banks which will enable the Group to continue as a going concern. In addition, the Group will be able to generate positive cash flows from operations which is sufficient to satisfy the immediate daily operational requirements of the Group. The Company will provide made the necessary announcement when the Company has obtained the waiver of the unmet financial covenants.

Further, the Group expects the operations at Maju Intan Biomass Energy Sdn Bhd ("**MJE**") to stabilise following the overhaul of the turbine in FY2019. MJE is still currently in negotiations with the bank to restructure existing loans to improve the liquidity of MJE via reduction of monthly repayments. Following the restructuring of existing loans of MJE, the Group would reduce the assistance in the financing of MJE, therefore there will be more cash available to the Group to be utilised for its working capital.

In addition, the Group has successfully rolled over more than \$19.3 million out of S\$22.6 million of short term loans, and is confident and will seek to roll over more short term loans to enable the Group to fulfil its debt obligations as and when it falls due.

Therefore, taking the above into consideration, 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 is also of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material disclosures have been provided for trading of the Company's shares to continue.

Shareholders of the Company are advised to read the Financial Statements in its entirety in its FY2019 annual report, which will be despatched to shareholders of the Company in due course.

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
29 August 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).