

# ASIATIC GROUP (HOLDINGS) LIMITED

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

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## DISPOSAL OF PLANT, EQUIPMENT AND MACHINERY RELATING TO PHNOM PENH AND SIHANOUKVILLE POWER PLANTS

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### 1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or "**Directors**") of Asiatic Group (Holdings) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcements dated 11 February 2021 and 1 September 2021 (the "**Previous Announcements**") in respect of the shortened term of the power purchase agreement ("**PPA**") entered with Electricite Du Cambodge ("**EDC**"). Save as expressly stated or the context otherwise requires, capitalized terms shall have the meanings ascribed to them in the Previous Announcements.
- 1.2 The Board wishes to announce that Colben Cambodia has on 11 March 2022 entered into a sale and purchase agreement (the "**SPA**") with Far East Power Services Company Limited (the "**Purchaser**") in relation to the disposal of all existing plant, equipment and machinery ("**Disposal Assets**") of Colben Cambodia previously used for Phnom Penh and Sihanoukville power plants as scrap to the Purchaser (the "**Disposal**").

### 2. DETAILS OF THE DISPOSAL

#### 2.1 Rationale for the Disposal

As disclosed in the Previous Announcements, the Group's PPA with EDC ended on 31 August 2021 and both Phnom Penh and Sihanoukville power plants had ceased operations and the Group has been looking for opportunities on alternative uses or disposal of the Disposal Assets of both the power plants. As the Disposal Assets were no longer commercially viable to be reused by the Group, the Group decided to scrap and dispose of the Disposal Assets. Following the completion of the Disposal, Colben Cambodia will have disposed of all its assets and property and the Company intends to commence voluntary liquidation and dissolution of Colben Cambodia. In view of the above, the Board believes that the Disposal represents a good opportunity to dispose of the Disposal Assets.

#### 2.2 Information on the Purchaser

The Purchaser is a company incorporated in United Kingdom with a branch office in Cambodia which is primarily engaged in the business of electrical, plumbing and construction installation and wholesale of machinery and electronic equipment. The sole shareholder of the Purchaser is Menno Willemse and the directors of the Purchaser are Menno Willemse and Pek Li Foong. The Purchaser and its directors and shareholder are unrelated to the Company, its directors and controlling shareholders, or their associates. None of the Purchaser and its directors and shareholder has any interest in the Company's shares.

#### 2.3 Salient terms of the Disposal

Pursuant to the SPA, Colben Cambodia shall sell the Disposal Assets as scrap to the Purchaser on the terms of the SPA and shall provide assistance (including arranging for the disconnection of the electrical power supply to Phnom Penh power plant site and maintaining water supply to sites at which the Disposal Assets are located) to the Purchaser.

As part of the Disposal, Colben Cambodia has agreed to grant the Purchaser a 3-month period to dismantle, demolish and remove the Disposal Assets from Phnom Penh power plant and to clear and make good the Phnom Penh power plant site to be handed over to the land owner in satisfactory condition and following the completion of which, a further 2-month period to remove the Disposal Assets relating to Sihanoukville power plant, while Colben Cambodia shall be responsible for obtaining all permits and approval (if required) for the Purchaser to demolish and remove the Disposal Assets.

The Purchaser has commenced the dismantling, demolition and removal work at Phnom Penh power plant site in accordance with the SPA.

#### 2.4 **Disposal Consideration**

The aggregate consideration for the Disposal Assets is the sum of US\$560,000 (the "**Disposal Consideration**"), which shall be satisfied by the Purchaser in cash in the following manner:

(a) US\$56,000 payable as deposit and holding fee for the Disposal Assets within 3 working days from the date of the SPA;

(b) US\$280,000 payable within 3 working days from the date of the SPA; and

(c) the balance US\$224,000 payable prior to commencement of dismantling, removal and demolition works by the Purchaser in respect of Disposal Assets relating to the Sihanoukville power plant.

The Disposal Consideration which comprises the selling price for the Disposal Assets as scrap less the cost of removal work, was arrived at by mutual agreement between Colben Cambodia and the Purchaser, taking into consideration Colben Cambodia is scraping the Disposal Assets and the offer from the Purchaser is the best among the proposals received by the Group and having weighed the Disposal Consideration plus the costs and expenses (including the storage cost, rental expenses and security fee) in connection with the Disposal Assets and the fact that the lease for the Phnom Penh power plant site is expiring soon against the book value (net realisable value) of the Disposal Assets of approximately S\$1.5 million as at 31 December 2021.

No valuation was conducted on the Disposal Assets for the purpose of the Disposal as it was not commercially cost efficient.

#### 2.5 **Financial Information relating to the Disposal Assets**

Based on the latest unaudited financial statements of the Group for the nine months ended 31 December 2021, the book value (net realisable value), and the net loss of or attributable to the Disposal Assets are approximately S\$1.5 million and S\$0, respectively. The Disposal Assets have been written down to and valued at their net realisable value of approximately S\$1.5 million as at 31 December 2021, given that there were no requirements to run both the power plants (which had been in standby mode following the receipt of the EDC Letter in February 2021).

The Disposal is expected to result in a deficit of proceeds over the book value of the Disposal Assets and is also expected to result in a loss on disposal of S\$0.7 million to the Group. Based on the Disposal Consideration, the Group expects to receive net proceeds of approximately S\$0.8 million (after deducting all transaction costs and expenses) from the Disposal. The net proceeds arising from the Disposal will be utilised for partial settlement of Colben Cambodia's outstanding banking facilities.

## 2.6 Relative Figures Computed on the Bases set out in Rule 1006 of the Catalyst Rules

Based on the latest announced consolidated financial statements of the Group (being the unaudited financial statements for the nine months ended 31 December 2021 ("9M2021")), the relative figures in relation to the Disposal computed on the bases set out in Rule 1006 of the Catalyst Rules are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	4.2 <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	not meaningful <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	9.7 <sup>(3)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A. <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A. <sup>(5)</sup>

### Notes:

- (1) The net asset value of the Disposal Assets as at 31 December 2021 is approximately S\$1.5 million, compared with the Group's net asset value as at 31 December 2021 of approximately S\$31.3 million.
- (2) The Disposal Assets were not in operation during 9M2021 and thus, did not generate any income or revenue during 9M2021. The Group's net profit before tax for 9M2021 was approximately S\$0.4 million.
- (3) The Disposal Consideration of approximately S\$0.8 million (based on an exchange rate of US\$1.00:S\$1.3507), compared with the Company's market capitalisation of approximately S\$7.8 million. The market capitalisation of the Company is computed based on the issued share capital of the Company of 1,556,462,688 shares (excluding treasury shares) and the volume weighted average price of S\$0.005 per share on 10 March 2022, being the last market day preceding the date of the Disposal SPA.
- (4) Not applicable as no equity securities will be issued by the Company for the Disposal.

(5) Not applicable as the Company is not a mineral, oil and gas company.

## 2.7 Classification of the Disposal under the Chapter 10 of the Catalyst Rules

As the relative figures for the Disposal as computed on the bases set out in Rules 1006(a) and 1006(c) do not exceed 50%, the Disposal is classified as a disclosable transaction and thus, is not subject to shareholders' approval.

## 3. FINANCIAL EFFECTS OF THE DISPOSAL

The pro forma financial effects of the Disposal have been prepared based on the consolidated audited financial statements of the Group for the financial year ended 31 March 2021, and the following assumptions:

- (a) the pro forma financial effects of the Disposal on the net tangible assets ("**NTA**") per share and loss per share ("**LPS**") of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Company or the Group after the completion of the Disposal;
- (b) for the purposes of computing the effect of the Disposal on the NTA per share, it is assumed that the Disposal had been completed on 31 March 2021; and
- (c) for the purposes of computing the effect of the Disposal on the LPS, it is assumed that the Disposal had been completed on 1 April 2020.

### 3.1.1 NTA

	<b>Before the Disposal</b>	<b>After the Disposal</b>
NTA	S\$24.0 million	S\$ 23.2 million
Number of shares excluding treasury shares	1,556,462,688	1,556,462,688
NTA per share	1.5 cents	1.5 cents

### 3.1.2 LPS

	<b>Before the Disposal</b>	<b>After the Disposal</b>
Loss after income tax	S\$3.6 million	S\$4.5 million
Weighted average number of ordinary shares for basic and diluted earnings per share computation	1,556,462,688	1,556,462,688
LPS	0.23 cents	0.29 cents

## 4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal (other than through their shareholdings (if any) in the Company).

## 5. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 6. DIRECTORS' 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 enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Disposal, 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 this announcement in its proper form and context.

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the SPA will be available for inspection at the registered office of the Company at 65 Joo Koon Circle Singapore 629078 during normal business hours for three (3) months from the date of this announcement.

Shareholders who wish to inspect the aforementioned documents should contact the Company at [contact@asiatic.com.sg](mailto:contact@asiatic.com.sg) to make an appointment so that the relevant arrangements can be made in view of the current COVID-19 situation and related safe distancing measures.

## BY ORDER OF THE BOARD

Tan Boon Kheng  
Managing Director

14 March 2022

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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