

## **Media Release**

### **Asiatic Group's Subsidiaries Move to Arbitration with Phnom Penh Special Economic Zone Plc for US\$14.4 Million**

**Singapore, 19 November 2020** – Asiatic Group (Holdings) Limited's subsidiaries, Colben System Pte Ltd and Colben Energy Holdings (PPSEZ) Limited, today commenced arbitration proceedings against Phnom Penh Special Economic Zone Plc ("PPSEZ") for a minimum of US\$14.4 million in relief with regard to a dispute in connection with a power plant project in Cambodia.

Asiatic Group's position is that PPSEZ breached a joint-venture agreement ("JVA") between Colben System and PPSEZ, resulting in substantial changes in the power plant project's operational and business model that are detrimental to the interests of the project.

Pursuant to the JVA, Colben System, a fully owned subsidiary of Asiatic Group, built, operates and maintains a heavy fuel oil fired power plant with an initial capacity of 15-megawatt within Phnom Penh Special Economic Zone ("SEZ"), located eight kilometres away from Phnom Penh International Airport.

The power plant, completed in 2008, was set up to provide stable and reliable power to companies located within the SEZ. This was consistently promoted as a selling point to attract businesses to establish their operations and factories in the SEZ. To date, the SEZ has attracted over 100 businesses and factories as customers, taking electricity from Asiatic Group's power plant.

The power plant principally provides back-up electricity supply to the customers. It is Asiatic Group's position that, in breach of the JVA, PPSEZ (Asiatic Group's joint-venture partner in the project) instigated for revisions to the electricity tariffs. Subsequently, on 30 June 2020, the Electricity Authority of Cambodia ("EAC") revised the tariff rates that applied in the SEZ and allowed companies to opt for a supply of electricity from the national grid source without Asiatic Group's power plant's back-up feature. The latter significantly changed the project's operational and business model. As a result of EAC's decision of 30 June 2020, it is anticipated that Asiatic Group would suffer losses in the revenue generated by the project.

The arbitration has been referred to the Singapore International Arbitration Centre. Asiatic Group will provide more updates when there are material developments in the arbitration process.

Colben System specialises in the business of controlled power supply, engineering and procurement, and construction in power generation projects.

Asiatic Group, through its subsidiaries, operates two other power plants in Cambodia; one at Phnom Penh for the country's state-owned utility company, Electricite Du Cambodge, and the other at Sihanoukville, the beach resort city of Cambodia. The Group also operates a biomass power plant in Teluk Intan, Perak, Malaysia.

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### **About Asiatic Group**

Asiatic Group is an engineering management specialist, playing a pivotal role in the development of energy, controlled power and fire protection solutions. The company operates in the niche areas of energy, where it operates as an EPC (engineering, procurement and construction) and O&M (Operation and Maintenance) contractor, provides planning and development services, as well as participates as an equity investor in niche power-related projects in Southeast Asia. It also has a fire protection solutions arm which provides firefighting and protection systems for households, factories, office buildings, shopping malls, retail outlets, cruise liners, property developments, as well as for the marine and offshore industries.

Asiatic Group employs over 200 people and has operations in Singapore, Malaysia, Vietnam and Cambodia.

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

For more information, please visit [www.asiatic.com.sg](http://www.asiatic.com.sg).

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*This media release has been prepared by Asiatic Group (Holdings) Limited (the "Company") and its contents have been reviewed by 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 this media release.*

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