

**Media Release**

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**Asiatic Group files for arbitration in Singapore against Royal Group Phnom Penh over seizure of joint venture company operating power plant in Cambodia**

- A subsidiary of Cambodia's Royal Group, a major Cambodian conglomerate, acquired 45.09 percent of Phnom Penh SEZ PLC in December 2021. Phnom Penh SEZ PLC and subsidiaries of the Asiatic Group had been operating a power plant project in Cambodia as part of a joint venture under a joint venture company incorporated in Cambodia.
- In March 2023, Phnom Penh SEZ PLC, now known as Royal Group Phnom Penh SEZ PLC unilaterally took control of the Board of the joint venture company.
- The Asiatic Group had objected to the actions of the Royal Group Phnom Penh SEZ PLC. Whilst there are ongoing negotiations, the Asiatic Group has commenced arbitration in Singapore to protect its interests in the joint venture company and enforce its rights against Royal Group Phnom Penh SEZ PLC.

Catalist-listed Asiatic Group (Holdings) Limited's subsidiaries, Colben Energy Holdings (PPSEZ) Limited and Colben System Pte Ltd ("**Asiatic Group**"), have filed a notice of arbitration in Singapore against Royal Group Phnom Penh SEZ PLC, its joint-venture partner in Cambodia, to resolve a recent dispute relating to a joint venture which operates a power plant project in Cambodia.

As announced previously on SGXNet, Phnom Penh SEZ PLC ("**PPSEZ**"), now known as Royal Group Phnom Penh SEZ PLC ("**RGPPSEZ**"), had earlier this year taken control of the Board of the joint venture company, Colben Energy (Cambodia) PPSEZ Limited ("**JV Company**"), as well as control of the JV Company's bank accounts, in a manner and in circumstances that are inconsistent with the terms of the Shareholders' Agreement and Joint Venture Agreement which regulates the parties' rights and obligations in respect of the JV Company.

The dispute between the parties remains unresolved. To protect its interests, which are material and substantial, the relevant subsidiaries of the Asiatic Group have today commenced arbitration proceedings against RGPPSEZ. We refer to the announcement released today on SGXNet.

The Asiatic Group has been investing in Cambodia since as early as 2006 and in effect, will see its ownership of the JV Company increase from 49% to 77% in the event of full conversion of the convertible loan extended to the JV Company, as documented in RGPPSEZ's IPO prospectus when it went public on the Cambodia Securities Exchange in 2016.

**George Tan, Managing Director of Asiatic Group, said:**

“This is an important matter relating to the rights of a foreign investor in Cambodia, in relation to a valuable joint venture entity which is involved in providing critical services to the people of Cambodia. Regrettably, our best efforts to resolve the dispute amicably with RGPPSEZ have not been reciprocated. We have been left with no choice but to enforce our rights through arbitration with the Singapore International Arbitration Centre, in accordance with the terms of the Shareholders’ Agreement and Joint Venture Agreement entered into between the parties.

We expect the process to vindicate our rights under the relevant contractual agreements, and restore investor confidence more generally in Cambodia, particularly those involving joint ventures between a foreign partner and a local partner.

The Royal Group, which effectively controls RGPPSEZ, is an established conglomerate in Cambodia. We trust that RGPPSEZ, which is listed on the Cambodia Securities Exchange, will cease and refrain from further breaches of its obligations under the relevant contractual agreements, respect the rule of law and act in accordance with local and international laws and norms expected of partners in joint ventures. It will be a major setback for foreign investments in Cambodia if contracts, especially those involving foreign partners, can be disregarded by Cambodian entities without legal consequences.

We have confidence that through the arbitration process, our rights as an investor will be protected and upheld, as it was previously.”

**About Asiatic Group (Holdings) Limited (“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 Group manufactures its fire extinguishers and assembles 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 participates 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. As previously announced, Asiatic Group plans to reduce its investments and exposure 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](http://www.asiatic.com.sg).

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