

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

SHORTENING THE TERM OF THE POWER PURCHASE AGREEMENT WITH STATE OWNED CAMBODIAN ELECTRICITY COMPANY

The Board of Directors (the “**Board**”) of Asiatic Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) refers to the announcement dated 2 May 2019 (the “**Previous Announcement**”) in respect of the extension of the power purchase agreement 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 Announcement.

The Board wishes to announce that Colben Energy (Cambodia) Limited (“**Colben Cambodia**”), an indirect 85% subsidiary of the Company, has received a letter (the “**EDC Letter**”) dated 10 February 2021 from EDC, a state-owned electricity company in Cambodia, to shorten the term of the power purchase agreement (the “**PPA**”).

Under the Amendment, Colben Cambodia would have continued to supply electricity generated from its two 10MW power plants located at Phnom Penh and Sihanoukville respectively to EDC for a further period of three (3) years from 1 May 2019 to 30 April 2022 and agreed to the minimum electrical amount that EDC needs to purchase, at 65% of the contracted capacity.

The Royal Government of Cambodia (“**RGC**”) has requested via EDC to shorten the Amendment to 31 August 2021. During the two meetings with the official from EDC in January and February 2021, EDC has informed Colben Cambodia that based on goodwill and in good faith, EDC has extended the PPA term for Colben Cambodia three (3) times. As such, under an amicable condition, the Board, in the best interest of the Company, has decided that it would agree to the terms as set out in the EDC Letter to shorten the term of PPA to end on 31st August 2021.

In return, EDC has agreed to continue to pay Colben Cambodia at 65% of the contracted capacity up to 31 August 2021 as agreed in the Amendment, allow Colben Cambodia to cease operations immediately and remove all of its property, goods and employees from the Sihanoukville Power Plant on or before 30th June 2021 failing which, EDC shall reserve the right to withhold the payment or/and engage a third party to remove the Company's property and goods at Colben Cambodia's cost.

As at the date of this announcement, the Company's carrying value of the property, plants, and equipment (“**PPE**”) as at 31 January 2021 is approximately S\$4.2 million which will be potentially impaired. As the impaired PPE amounts needs to be verified with the external auditors, the final impairment amount would be assessed and released during the results announcement after the end of the financial year i.e. 31 March 2021.

The shortening of the Amendment is expected to have a negative effect on the earnings per share or the net tangible assets per share of the Group for the current financial year ending 31 March 2021.

The Company will provide further updates as appropriate.

None of the directors or the controlling shareholders of the Company has any direct or indirect interest in the aforesaid subject matters, save through their shareholding interests in the Company.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Tan Boon Kheng
Managing Director
11 February 2021

*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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