

ASIATIC GROUP (HOLDINGS) LIMITED

(Company Registration Number: 200209290R)
(Incorporated in the Republic of Singapore)

(A) PROPOSED DISPOSAL OF COLBEN ENERGY HOLDINGS (VIETNAM) LIMITED'S 15% EQUITY INTEREST IN LAO CAI RENEWABLE ENERGY (VIETNAM) JOINT STOCK COMPANY

(B) SETTLEMENT OF ARBITRATION CLAIMS

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the SGXNET announcements dated 20 November 2014, 6 November 2015, 16 February 2016 and 26 April 2016 (collectively, the “Announcements”). Financial numbers in S\$ in this announcement are calculated based on the exchange rate of US\$1: S\$1.4 as at 15 November 2016.

A. INTRODUCTION

PROPOSED DISPOSAL

The Board of Directors (the “**Board**”) of Asiatic Group (Holdings) Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to inform shareholders that Colben Energy Holdings (Vietnam) Limited (“**CEHV**”), an indirect wholly-owned subsidiary of the Company, had on 15 November 2016 agreed to amend and restate a share swap agreement relating to the swap of shares in Lao Cai Renewable Energy (Vietnam) Joint Stock Company (“**LCRE**”) between CEHV, Viet Hydro Pte. Ltd. (“**VietHydro**”) and InfraCo Asia Development Pte. Ltd. (the “**Amended Share Swap Agreement**”) such that instead of CEHV swapping its 6,938,760 shares in LCRE (“**Sale Shares**”) representing approximately 15.0% of the issued and paid-up share capital of LCRE, in exchange for new shares in VietHydro, CEHV will sell the Sale Shares to VietHydro (the “**Purchaser**”) (the “**Proposed Disposal**”), for an aggregate cash consideration of US\$3,304,171 (approximately S\$4,625,839) (the “**Disposal Proceeds**”). Please refer to the Company’s announcement on 20 November 2014 for further details on the original share swap agreement.

Upon completion of the Proposed Disposal, the Group will no longer hold any equity interest in LCRE.

SETTLEMENT OF ARBITRATION CLAIMS

The Board wishes to also inform shareholders that on 15 November 2016, CEHV has entered into a settlement agreement with Mr Ang Teck Foo (“**Mr Ang**”) and Mr Dinh Van Ha (“**Mr Ha**”) (collectively, the “**Claimants**”) in relation to the Alleged Claims outlined in the Announcement dated 26 April 2016 (“**Settlement Agreement**”).

Under the terms of the Settlement Agreement, Mr Ha and Mr Ang shall be entitled to settlement payments in the amount of US\$300,000 and US\$108,000 respectively which amounts shall be paid by CEHV from the Disposal Proceeds (the “**Settlement Amounts**”). The parties to the Settlement Agreement have agreed to withdraw their respective claims in the relevant arbitration proceedings and to discontinue such proceedings and, upon payment of the Settlement Amounts, to settle the Alleged Claims.

B. INFORMATION ON LCRE AND THE PURCHASER

1. Information on LCRE

LCRE is the owner and developer of the 29.7MW Coc San run of the river, peaking, hydropower project in Lao Cai province of Vietnam. VietHydro has an equity interest of approximately 73.6% in LCRE. The other shareholders of LCRE are CEHV, Vietnam Infrastructure Development and Finance Investment Joint Stock Company (“**VIDFI**”) and HVD Construction and Investment Consultant JSC (“**HVD**”), each holding an equity interest of approximately 15.0%, 8.1% and 3.3% in LCRE, respectively.

Based on LCRE's unaudited management accounts, the net asset value and net tangible asset value of LCRE as at 31 July 2016 was approximately US\$20,186,420 (approximately S\$28,260,988).

2. Information on VietHydro

VietHydro's main asset is LCRE.

The current shareholders of VietHydro are InfraCo Asia Development Pte. Ltd. ("**InfraCo Asia**") and Nexif Energy Hydro B.V ("**Nexif**").

Nexif was established by experienced professionals with a proven track-record in the development, financing, acquisition, restructuring, management and divestment of infrastructure assets. Nexif is headquartered in Singapore, and has offices and extensive networks across Asia.

InfraCo Asia was established in 2010 and is headquartered in Singapore. InfraCo Asia is an infrastructure development company owned by the Private Infrastructure Development Group (the "**PIDG**"). PIDG's principals comprise government agencies from countries such as United Kingdom, Switzerland, the Netherlands, Sweden, Austria, Ireland, Germany, Australia and the World Bank Group.

C. THE DISPOSAL PROCEEDS, CONDITIONS PRECEDENT AND MATERIAL TERMS OF THE AMENDED SHARE SWAP AGREEMENT

1. Disposal Proceeds

The Disposal Proceeds payable for the Sale Shares was determined between CEHV and VietHydro on an arm's length basis and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the initial subscription cost of the Sale Shares by CEHV of approximately US\$3.34 million.

The Disposal Proceeds shall be fully satisfied in cash on the date of completion of the Amended Share Swap Agreement.

The Disposal Proceeds represent a loss of approximately US\$37,000 (approximately S\$52,000) over CEHV's proportionate equity interest of approximately 15% in LCRE amounting to US\$3,340,733 (approximately S\$4,677,062) as at 30 September 2016.

2. Conditions Precedent and Other Material Terms

The key conditions precedent to be fulfilled or waived (in writing) before completion of the Amended Share Swap Agreement include, *inter alia*:

- (i) the Department of Investment and Planning of Lao Cai Province ("**DIP**") issuing a notice of satisfaction of investment requirements for share acquisition by foreign investors in respect of the Proposed Disposal;
- (ii) the corporate income tax which CEHV will be liable for in accordance with Vietnamese taxation laws in respect of the capital gains accruing in respect of the Proposed Disposal not exceeding US\$40,000;
- (iii) the amendment of the charter and amended and restated joint venture agreement in respect of LCRE in a manner consistent with the Proposed Disposal; and
- (iv) a share purchase agreement dated 15 November 2016 between HVD and VietHydro in relation to the sale of 1,510,000 shares in the LCRE by HVD to VietHydro having become unconditional in accordance with its terms.

None of the parties to the Amended Share Swap Agreement shall be obliged to complete the Proposed Disposal unless a new investment registration certificate of LCRE and enterprise registration certificate of LCRE reflecting the Proposed Disposal are issued by the DIP.

The long stop date for completion of the Amended Share Swap Agreement is 28 February 2017

In order to facilitate the settlement of the Alleged Claims, the parties to the Amended Share Swap Agreement, Madison Pacific Pte Limited ("**Escrow Agent**"), Mr Ha and Mr Ang have agreed under the terms of an escrow agreement dated 15 November 2016 that the Disposal Proceeds shall, at the appropriate time, be paid to an escrow account to and held in escrow by the Escrow Agent pending completion of the Amended Share Swap Agreement. Upon completion of the Proposed Disposal, the Escrow Agent shall pay to CEHV the Disposal Proceeds less the Settlement Amounts and bank fees and charges.

Pursuant to a side letter between CEHV and Nexif dated 15 November 2016 relating to the Proposed Disposal, CEHV shall become entitled to a share swap payment of US\$250,000 (approximately S\$350,000) in consideration for CEHV agreeing to enter into the Amended Share Swap Agreement and not to swap its shares in LCRE in exchange for new shares in VietHydro.

3. Rationale for and Benefits of the Proposed Disposal

Subsequent to the sale of shares in VietHydro by CEHV as announced on 6 November 2015, LCRE had ceased to be an associated company of the Group and the Sale Shares represented only a passive investment stake in LCRE. Furthermore, taking into consideration that the Disposal Proceeds is close to the subscription price of the Sale Shares subscribed by CEHV initially, the Proposed Disposal will allow CEHV to dispose of the Sale Shares close to its historical cost of subscription and allow the Group to monetise CEHV's stake in LCRE.

The Group also intends to utilise the Disposal Proceeds for the Settlement Amounts (as described above), repayment of banking facilities and for working capital purposes.

4. Financial Effects of the Proposed Disposal

For illustration purposes only, the financial effects of the Proposed Disposal as set out below were prepared based on the audited consolidated accounts of the Group for its most recently completed financial year ended 31 March 2016 ("**FY2016**") and subject to the following main assumptions:

- (i) For the purpose of computing the consolidated earnings and consolidated earnings per share ("**EPS**") of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was effected on 1 April 2015.
- (ii) For the purpose of calculating the consolidated net tangible assets per share ("**NTA**") of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was completed on 31 March 2016.

The financial effects set out below are theoretical in nature and are therefore not necessarily reflective or an accurate indication of the results of the Group or the related effect on the financial position that would have been attained had the Proposed Disposal taken place in accordance with the main assumptions set out herein.

4.1 **Earnings per Share**

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Consolidated Profit, net of tax attributable to owners of the Company for FY2016 (S\$'000)	265	213
Weighted average number of shares for FY2016 ('000)	1,274,939	1,274,939
Earnings per share (Singapore Cents)	0.021	0.017

4.2 **Net Tangible Asset per Share**

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Consolidated NTA attributable to the shareholders of the Company as at 31 March 2016 (S\$'000)	56,492	56,440
Number of shares as at 31 March 2016 (excluding treasury shares) ('000)	1,324,463	1,324,463
Consolidated NTA per share attributable to the shareholders of the Company (Singapore Cents)	4.265	4.261

5. **RELATIVE BASES COMPUTED ON THE BASES SET OUT IN CATALIST RULE 1006**

The relative figures for the Proposed Disposal using the applicable bases of comparison under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Section B: Rules of Catalist (the “**Catalist Rules**”) based on the latest announced consolidated financial statements of the Group for the six months ended 30 September 2016 are as follows:

(a) Rule 1006(a)	
Net asset value of the Sale Shares to be disposed of (S\$'000)	4,677
Net asset value of the Group as at 30 September 2016 (S\$'000)	56,959
Size of relative figure	8.21%

(b) Rule 1006(b)	
Net loss attributable to the Sale Shares to be disposed of, compared with the Group's net profit ¹	Not applicable as no profit or loss has been derived from the Sale Shares.

(c) Rule 1006(c)	
Aggregate value of the consideration received (S\$'000)	4,626
The Company's market capitalization as at 9 November 2016 based on the total number of issued shares, excluding treasury shares (S\$'000) ²	18,542
Size of relative figure	24.95%

(d) Rule 1006(d)	
The number securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as this is a Proposed Disposal.

(e) Rule 1006(e)	
The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven 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.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

1. "net profits or loss" means profit or loss before income tax, minority interests and extraordinary items.
2. The Company's market capitalisation of S\$18,542,478 is based on its total number of issued ordinary shares of the Company ("**Shares**"), comprising 1,324,462,688 Shares and the weighted average price of S\$ 0.014 per Share on 9 November 2016, being the last full trading day for the Shares prior to the date of the Amended Share Swap Agreement.

As the relative figures computed under Catalist Rules 1006(a) and (c) exceed 5% but are less than 50%, the Proposed Disposal constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect, in the Proposed Disposal.

7. DETAILS OF SERVICE CONTRACTS

There are no directors proposed to be appointed to the Company in connection with the Proposal Disposal. Accordingly, there are no service contracts proposed to be entered into between the Company and any person in connection with the Proposal Disposal.

8. DOCUMENTS FOR INSPECTION

A copy of the Amended Share Swap Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Disposal as appropriate or when there are further developments on the same.

10. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the conditions precedent set out above and accordingly are advised to exercise caution in trading their Shares. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions which they should take.

By Order of the Board

Tan Boon Kheng
Managing Director
15 November 2016

This announcement (the “**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**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of the Announcement.

This Announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of the Announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in the Announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.