



UPP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196700346M)

POWER PURCHASE AGREEMENT - PROPOSED GAS GENERATING POWER PLANT PROJECT AT YWAMA, YANGON, THE REPUBLIC OF THE UNION OF MYANMAR

The Board of Directors (the “**Board**”) of UPP Holdings Limited (the “**Company**”) refers to its announcement dated 2 August 2013 relating to the signing of the memorandum of agreement between Department of Electric Power (under the Ministry of Electric Power of Myanmar (“**MOEP**”)) of the one part, and the Company and UPP Greentech Pte. Ltd. (a wholly owned subsidiary of the Company) of the other part relating to the implementation of 50 megawatt class new gas generating power plant (the “**Power Plant**”) project in Yangon (Ywama), Myanmar, to supply electricity to the national grid (the “**Power Plant Project**”).

The Board also refers to the announcement made by the Company on 2 August 2013 relating to the signing of the turnkey agreement between UPP Power (Myanmar) Limited, a subsidiary of the Company (“**UPP Power Myanmar**”) with MSP Tractors Pte Ltd, a company incorporated under the laws of the Republic of Singapore (“**MSP Tractors**”), and Myan Shwe Pyi Tractors Limited, a company incorporated under the laws of the Republic of the Union of Myanmar (“**MSPTL**”), whereby MSP Tractors and MSPTL will build the Power Plant on a turnkey basis by undertaking the engineering, procurement and construction of the Power Plant which shall meet the requirements of MOEP and/or Myanmar Electric Power Enterprise (“**MEPE**”) under a power purchase agreement for the sale and purchase of electricity (“**PPA**”) to be entered into between UPP Power Myanmar and MEPE.

Further to the said announcements, the Company now wishes to announce that the PPA has been entered into today, between UPP Power Myanmar and MEPE.

Under the PPA, UPP Power Myanmar will sell the electrical energy generated by it to MEPE, at the rate of US\$0.034 per kWh, subject to certain adjustments based on an agreed adjustment formula. The PPA is based on a ‘take or pay basis’ with a guaranteed annual minimum off-take of 350 million kWh. The term of the PPA is for a period of 30 years commencing from the commercial operation date of the first unit of the Power Plant. MOEP is to supply natural gas at no cost to UPP Power Myanmar throughout the term of PPA, unless the gas consumption exceeds certain parameters as agreed between the parties. The construction of the Power Plant has been completed and it is expected to commence commercial operation in the first half of 2014.

As announced previously, the Company is of the view that the Power Plant Project will provide a steady long-term revenue stream for the Company and its subsidiaries (the “**Group**”).

The transaction is expected to have a favourable impact on the Group’s financial performance for the current financial year ending 31 December 2014.

The Company shall provide further updates on the Power Plant Project at the appropriate juncture.

BY ORDER OF THE BOARD

Koh Wan Kai
Executive Director

11 February 2014