

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (“MAR”).

6 March 2017

**All Asia Asset Capital Limited**

**(“All Asia Asset Capital”, “AAA” or the “Company”)**

**Proposed disposal of Energy Central Limited**

**And**

**Notice of Extraordinary General Meeting**

Further to the announcements of 15 December 2016 and 2 February 2017, the Board of AAA (AIM: AAA) announces that, on 3 March 2017, the Company entered into a conditional sale and purchase agreement (the “**Sale & Purchase Agreement**”) with Chakris Kajkumjohndej (the “**Purchaser**”) regarding the proposed disposal by the Company (the “**Disposal**”) of AAA’s entire interest in 100% of the issued share capital of Energy Central Limited (“**Energy Central**”), for a cash consideration equivalent to Thai Baht 34,889,000 (equivalent to approximately £810,000 based on current exchange rates). Energy Central’s sole asset is the Company’s interest in Andaman Power & Utilities Co., Ltd. (“**APU**”). Further information regarding Energy Central and recent events relevant to Energy Central can be found further below.

Completion of the Disposal is subject, *inter alia*, to the approval of AAA’s shareholders (“**Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) which will be held at the offices of Buisson & Associates, 18 rue de Marignan 75008 Paris, France at 11:00 am on 24 March 2017.

A circular setting out the details of and the background to the proposed Disposal (the “**Circular**”) and a notice to convene the EGM will shortly be posted on the Company’s website (<http://www.aacap.com/>). The Circular will be sent to Shareholders in the coming days.

**The above summary should be read in conjunction with the full text of this announcement below and the Circular. Extracts from the Circular are set out below.**

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**About AAA**

AAA is an investment company that has been established as a platform for investors looking to access growing markets in the Asia-Pacific region. The Company invests in a portfolio of companies with at least a majority of operations (or early-stage companies that intend to have at least a majority of their operations) in the Asia-Pacific region in industries with high growth potential including, but not limited to: agriculture, forestry and plantations, mining, natural resources, property, and/or technology. AAA is publicly quoted and its shares are traded on the AIM market, which is operated by the London Stock Exchange.

## Extracts from the Circular

(references to pages or paragraphs below refer to the relevant pages or paragraphs of the Circular)

### ALL ASIA ASSET CAPITAL LIMITED (THE “COMPANY” OR “AAA”)

### DISPOSAL OF 100% OF THE ISSUED SHARE CAPITAL OF ENERGY CENTRAL LIMITED AND NOTICE OF EXTRAORDINARY GENERAL MEETING

#### INTRODUCTION

On 6 February 2017, the board of directors of the Company (the “**Board**” or the “**Directors**”) received an initial approach regarding the purchase of 100% of the issued share capital of Energy Central Limited (“**Energy Central**”) owned by the Company. Further information regarding Energy Central and recent events that are relevant to Energy Central can be found in the section titled ‘Assets to be disposed of’ further below. Energy Central’s sole asset is the Company’s interest in Andaman Power & Utilities Co., Ltd. (“**APU**”).

The purpose of the Circular is to provide you with, among other things, (i) details of the proposed conditional disposal by the Company (the “**Disposal**”) of 100% of the issued share capital of Energy Central for a cash consideration of Thai Baht 34,889,000 (equivalent to approximately £810,000 based on current exchange rates); and (ii) notice of an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Disposal (the “**EGM**”).

#### THE SALE & PURCHASE AGREEMENT

The Company has entered into a conditional sale and purchase agreement (“**Sale & Purchase Agreement**”) with Chakris Kajkumjohndej (the “**Purchaser**”), pursuant to which the Company will sell, and the Purchaser will purchase, all of the shares of Energy Central (the “**Sale Shares**”) owned by the Company on the terms and subject to the conditions set out in the Sale & Purchase Agreement. Completion of the Sale & Purchase Agreement is conditional on, *inter alia*, approval of Shareholders at the EGM. The principal terms of the Sale & Purchase Agreement are summarised below:

##### **Parties**

- (i) the Purchaser; and
- (ii) the Company (as vendor).

##### **Assets to be disposed of**

The Company has conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, all of the shares of Energy Central (the “**Sale Shares**”) owned by the Company, on the terms and subject to the conditions set out in the Sale & Purchase Agreement.

Energy Central is an investment holding company which is incorporated in the British Virgin Islands and is wholly owned by the Company. Energy Central’s sole asset is a 7 per cent stake in APU, a company that was originally intended to construct and operate a gas powered 200 megawatt electricity generation plant in southern Myanmar (the “**Proposed Power Plant Project**”).

Between October 2013 and July 2014 the Company invested a total of US\$1,800,000 in cash to acquire the Company’s stake in APU (equivalent to approximately US\$1,470,000 at current exchange rates). In addition in July 2014 the Company issued 11,000,000 new shares in AAA to the Purchaser as part consideration for the acquisition of shares in APU.

In September 2016, AAA announced that APU had become majority owned by United Power of Asia Public Company Limited ("**UPA**"), a public listed company in Thailand, and that APU was moving forward to further developments of 200 Megawatt plants in the region and was seeking financing for the project development.

On 15 December 2016, the Company announced that it had become apparent that, due to the actions of third parties, APU's effective economic interest in the project company which intends to construct and operate the Proposed Power Plant Project was likely to be substantially diluted and consequently be lower than originally anticipated by the Board. At that point in time, the Board estimated that it was likely that AAA's effective interest in the Proposed Power Plant Project would be reduced to a level in the region of 0.07% (assuming that no other events occur that could lead to further dilution of AAA's effective interest and assuming that a power purchase agreement between third parties became unconditional).

The Company's announcement of 15 December 2016 highlighted that the events (as described in summary above) would likely to lead to a very substantial decrease in the value of the Company's seven per cent. interest in APU. The value attributed to AAA's investment in APU in the Company's interim results for the period ended 30 June 2016, announced by the Company on 16 September 2016, was £4,338,000, which was based on an independent valuation report that was commissioned by the Company.

Despite making a number of enquiries, the Company has not been provided with any material or reliable update regarding the position with APU, as described above. The Board is doubtful as to whether any reliable update, information or explanation regarding the apparent difficulties concerning the Company's investment in APU will be forthcoming. As described in more detail in the the section titled 'The merits of the Disposal' further below, under the circumstances the Board believes that pursuing the Disposal represents the most realistic available option for preserving value for Shareholders.

For the six months to 30 June 2016, as a non-trading holding company, Energy Central did not record any profits or revenues (on an unaudited basis). The aggregate unaudited current and non-current assets of Energy Central as at 30 June 2016 were £4,337,955. **However, given that Energy Central's sole asset is the Company's interest in APU, these results should be considered in light of the apparent difficulties concerning the Company's investment in APU has experienced during 2016 (as described above and in the Company's announcement of 15 December 2016). In particular, Shareholders should be aware that the Company's announcement of 15 December 2016 highlighted that the difficulties concerning the Company's investment in APU would likely to lead to a very substantial decrease in the value of the Company's interest in APU.**

#### **The Consideration and the basis of its determination**

The consideration for the Disposal is Thai Baht 34,889,000 payable in cash in US\$ (equivalent to approximately £810,000 based on current exchange rates) (the "**Consideration**") upon Completion (as defined further below). The Consideration was determined after arm's length negotiations between the Company and the Purchaser.

#### **Other terms of the Sale & Purchase Agreement**

Upon the payment of Consideration by the Purchaser at Completion, the Company shall release the Purchaser and Mr. Upakit Pachariyangkun (the "**Released Persons**") from any and all claims, demands, obligations, liabilities, or causes of action which the Company has or shall have in relation to the purchase of APU's shares and potential damage to the Company due to the action(s) of the Released Persons or the majority shareholder(s) of APU. Mr. Upakit Pachariyangkun is the Chairman and founder of APU.

#### **The merits of the Disposal**

When evaluating the Consideration and the merits of the Disposal, the Directors have been mindful of the apparent difficulties concerning the Company's investment in APU, as outlined above and as announced by the Company on 15 December 2016. As such, in the context of these difficulties, the Directors consider that the Consideration is fair and reasonable and that pursuing the Disposal is in the best interests of the Company and its Shareholders as a whole. The Directors believe that this is especially the case when compared with alternative courses of action, such as pursuing formal legal claims against the original sellers of the shares in APU, given the likely timeframe for the pursuit of any such legal claims and the uncertainty regarding the likelihood of a superior outcome from any such litigation.

### **Conditions for the coming into effect of the Sale & Purchase Agreement**

Completion of the Disposal shall come into effect upon satisfaction of the following conditions (the “**Conditions**”) (i) approval of the Disposal by Shareholders at the EGM; and (ii) the payment of Consideration in full by the Purchaser. Subject to the satisfaction (or waiver, if applicable) of any conditions in the Sale & Purchase Agreement, including shareholder approval, it is expected that completion of the Disposal under the Sale & Purchase Agreement (“**Completion**”) shall take place on 15 April 2017 (the “**Completion Date**”). On the Completion Date, the Sale Shares shall be transferred to and registered under the name of the Purchaser and the Consideration shall be paid in full, without deduction or set off, to the Company.

### **INFORMATION ON THE PURCHASER**

The Purchaser is one of the original vendors of APU, from whom the Company acquired 4.5 per cent. of APU in 2014 for a consideration of 11,000,000 ordinary shares in the Company and a payment of US\$550,000 in cash.

To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, the Purchaser is a shareholder of the Company, who is beneficially interested in 11 million Ordinary Shares in the capital of the Company, representing 5.17 per cent. of the voting rights in the Company.

### **THE EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

From an accounting treatment perspective, the final loss attributable to the Company’s investment in APU will be comprised of two components, being: (i) the fair value loss on the investment; and (ii) the loss on the disposal of investment. The Board believes that time is of the essence when it comes to the progression of the Disposal and given the difficulties concerning the Company’s investment in APU and the background to the Disposal, the Board does not believe that it is feasible to provide a reliable estimate of the fair value loss on the investment ahead of Completion.

For illustrative purposes, it is currently expected that the loss on the disposal of the investment component will be approximately £3,923,000 as a result of the Disposal, which has been calculated on the basis of the difference between the Consideration to be received from the Disposal of approximately £810,000 and the value attributed to AAA’s investment in APU in the Company’s interim report period 30 June 2016 of approximately £4,733,000. This is approximately 81% of the investment cost without taking into account the tax and charges incurred in connection with the disposal. **This figure has been calculated using the information currently available to the Company, which includes a number of assumptions and does not include any provision for any fair value loss on the investment, and is therefore provided solely for illustrative purposes. The final total actual loss attributable to the Company’s investment in APU will be assessed after Completion and is subject to audit. The Company will make an announcement on this topic, as appropriate.**

It is expected that the Company will receive net cash proceeds of approximately Thai Baht 34,889,000 from the Disposal (equivalent to approximately £810,000 based on current exchange rates), which shall be paid in US\$. The Company will bear its own costs and expenses in relation to the legal fees and audit fee in respect of the Disposal.

The net proceeds from the Disposal will be used for the general working capital purposes of the Company, as it continues to evaluate new investment and fund raising opportunities.

The Board believes that the Disposal is in line with the Company’s investing policy, which has been reproduced below. Following Completion, the Company will continue to pursue its investing policy. However, as announced on 2 November 2016, a number of investment opportunities that the Board has reviewed in more recent times have fallen outside of the scope of the Company’s investing policy and, consequently, the Board may, in due course, propose to change the Company’s investing policy. Any change in investing policy will be subject to the approval of shareholders at that point in time.

### **The Company’s Investing Policy**

*The Company intends to invest in companies with at least the majority of their operations (or early stage companies that intend to have at least the majority of their operations) in the Asia Pacific region. The Company intends to invest in a portfolio of companies with an initial focus on companies that operate (or early stage companies that intend to operate) in industries with likely high growth potential including, but not limited to: agriculture, forestry and plantation, mining, natural resources, property and/or technology.*

*The Directors intend to source and identify potential investments in line with the Investing Policy through their own research and network of contacts and possibly strategic partnerships with other companies or persons who can assist the Company in sourcing and identifying potential investments. Investments are expected to be mainly in the form of equity although investments may be by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend typically to take minority positions (with suitable minority protection rights), primarily in unquoted companies. Investments will therefore typically be of a passive nature. However, whilst the Directors intend that typical investments will constitute minority positions in investee companies, should the Company make majority investments, the Company may seek participation in the management or board of directors of such an entity with a view to seeking to improve the performance and growth of the business.*

*There is no limit on the size of an investment in a project. The Directors expect that each investment will typically yield a targeted internal rate of return of at least 20 to 30 per cent. per annum. It is likely that a substantial portion of the Company's financial resources will be invested in a small number of companies, however the Company has not excluded the possibility of making just one investment. Depending on the size of investments, they may be deemed to be reverse takeovers for the purposes of the AIM Rules, which would require Shareholder approval and re-admission of the Company, as enlarged by the acquisition, to trading on AIM.*

*In addition to paying the costs of the Company's ongoing expenses, the Company's cash resources will primarily be used to identify, evaluate and select suitable investment opportunities and to make investments, either in part or in full, as applicable. The Directors consider that as investments are made, or promising new investment opportunities arise, further funding of the Company will be required and they anticipate further equity fundraisings by the Company. Subject to prevailing authorities to issue new Ordinary Shares or, if required, with Shareholder approval, new Ordinary Shares may be used as consideration, in whole or in part, for investments. The Company will not be subject to any borrowing or leverage limits. In order to mitigate investment risk, the Directors intend to carry out a thorough due diligence process in evaluating each potential investment including: site visits, analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti-corruption procedures and the seeking of third party expert opinions and valuation reports where the Directors see fit.*

*The Directors will apply investment criteria including: the potential for capital growth and/or the potential for profit generation with a view to receiving dividend income over time, high attractiveness to potential buyers of the company in question in order to facilitate exits and a strong and experienced management team.*

*Given the time frame to fully maximise the value of an investment, the Board expects that investments will be held for the medium to long term, although short-term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Directors intend to re-invest the proceeds of disposals in accordance with the Company's Investing Policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities in which case the Directors will consider returning the proceeds to Shareholders in a tax efficient manner.*

*Cash held by the Company pending investment, reinvestment or distribution will be managed by the Company and placed in bank deposits or in capital guaranteed schemes offered by major global financial institutions, in order to protect the capital value of the Company's cash assets. The Company may, where appropriate, also enter into agreements or contracts in order to hedge against interest rate or currency risks. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.*

*Any material change to the Company's Investing Policy will only be made following the approval by ordinary resolution of Shareholders in general meeting. In addition, if the Company has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek the approval of Shareholders at its next annual general meeting for its Investing Policy and on annual bases thereafter until such time that its Investing Policy has been substantially implemented. If it appears unlikely that the Company's Investing Policy can be implemented at any time, the Directors will consider returning remaining funds to Shareholders.*

*The Directors will review the Investing Policy on an annual basis and will implement any non-material changes or variations as they consider fit. Details of any such non-material changes or variations will be announced as appropriate. Any material change or variation of the Investing Policy will be subject to the prior approval of Shareholders.*

#### **Other investments**

Following Completion, the Company will have one investment in Myanmar Allure Group Co., Ltd. ("MAG"), which owns and operates the Allure Resort, a combined hotel, resort and gaming facility located in Tachileik province, Myanmar, in the vicinity of the Thailand-Myanmar Mae Sai border. On 16 September 2016, the Company announced that MAG intended to expand its business including the development of a new building and partnerships with other gaming operators in order to fulfill increasing demand in this sector. Despite requests for updates, the Board has not been provided with any material updates regarding MAG since that provided in the Company's announcement of 16 September 2016. The Board remains of the belief that steps should be taken to seek to realise the Company's investment in MAG.

#### **EGM**

The EGM is being convened for Shareholders to consider and, if thought fit, approve the Disposal.

A notice convening the EGM to be held at the offices of Buisson & Associates, 18 rue de Marignan 75008 Paris, France at 11:00 am on 24 March 2017 is set out on page 1 of the Circular. A form of proxy for the EGM is enclosed with the Circular.

Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same as per the instruction in the form of proxy as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

The voting on the ordinary resolutions to approve the Disposal, the Sale & Purchase Agreement and the transactions contemplated thereunder at the EGM will be taken by poll and an announcement on the results of the EGM will be made by the Company after the EGM.

As at the Latest Practicable Date, no Shareholders, save for the Purchaser whom the Board believe is beneficially interested in 11 million Ordinary Shares in the capital of the Company, representing 5.17 per cent. of the voting rights in the Company, had any material interest in the Disposal such as to be required to abstain from voting on the resolution(s) to approve the Disposal, the Sale & Purchase Agreement and the transactions contemplated thereunder at the EGM.

#### **RECOMMENDATION**

**The Directors consider that the Disposal and its terms are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution(s) to approve the Disposal at the EGM, as they intend to do in respect of their entire beneficial holdings of Ordinary Shares totalling in aggregate 14,914,575 Ordinary Shares and representing approximately 7.01 per cent. of the issued ordinary share capital of the Company.**

**--ENDS--**