

15 December 2016

All Asia Asset Capital Limited

("All Asia Asset Capital", "AAA" or the "Company")

Update on investment in APU

All Asia Asset Capital Limited (AIM: AAA) provides the following update in respect of certain events which are likely to lead to a very substantial decrease in the value of the Company's seven per cent. interest in Andaman Power and Utility Company Limited ("APU").

Following the appointment on 9 September 2016 of Mr. Paniti Junhasavasdikul to the Company's board (the "Board") as Chief Executive Officer, AAA has been performing a review of the Company's existing investments (the "Review").

Following this Review, which has included a review of public filings, it has 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 a gas powered 200 megawatt electricity generation plant in southern Myanmar (the "Proposed Power Plant Project") is likely to be substantially diluted and consequently end up being lower than originally anticipated by the Board.

In September 2014, AAA announced that APU and the government of Myanmar had entered into an agreement in respect of a 200 megawatt power plant. 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.

Following the Review, AAA has become aware of a power purchase agreement ("Power Purchase Agreement") having been entered into between Myanmar UPA Co., Ltd ("MUPA") (which is a Myanmar-incorporated company that is controlled and substantially owned by UPA) and Myanmar Electric Power Enterprise MEPE ("MEPE"), the government owned utility responsible for power generation, transmission and system operations throughout Myanmar.

The purpose of the Power Purchase Agreement is to construct a power plant and sell electricity, and the Power Purchase Agreement appears to be a key commercial contract

underlying the Proposed Power Plant Project. Importantly, the Board notes that the main economic beneficiary of the Power Purchase Agreement is UPA, as UPA owns 99% of MUPA, with the remaining 1% of MUPA appearing to be owned by APU, although this is still subject to formal confirmation with the parties concerned who have not responded to the Company's communications. The Power Purchase Agreement appears to be subject to a number of outstanding conditions precedent.

Given the matters described above, and given that MUPA is the entity that has entered into the Power Purchase Agreement and that APU only owns 1% of MUPA, the Board believes that AAA's effective interest in the Power Plant Project is likely to be reduced to in the region of 0.07% (assuming that no other events occur that could lead to further dilution of AAA's effective interest) should the Power Purchase Agreement between MUPA and MEPE become unconditional. This is substantially lower than was previously anticipated by the Board and at this stage the Board cannot therefore be certain that AAA has any effective interest in the Power Plant Project.

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 £4.338m, which was based on an independent valuation report that was commissioned by the Company.

The Board has not received any formal notification or disclosure in respect of the events as described above from either APU or UPA.

The Board is investigating these events and is taking further steps to clarify the situation. In the absence of a resolution of these matters, the Board believes that AAA may have claims against certain parties in respect of the above.

Further announcements will be made as appropriate.

-Ends-

For further information:

All Asia Asset Capital Limited

Paniti Junhasavasdikul, Chief Executive Officer

Robert Berkeley, Executive Chairman and Finance Director

Tel: +44 (0) 207 621 8910

Tel: +852 3756 0124

www.aacap.com

Allenby Capital Limited (Nomad & Broker)

Nick Athanas / Nick Naylor / Alex Brearley

Tel: +44 (0) 203 328 5656

www.allenbycapital.com

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.