

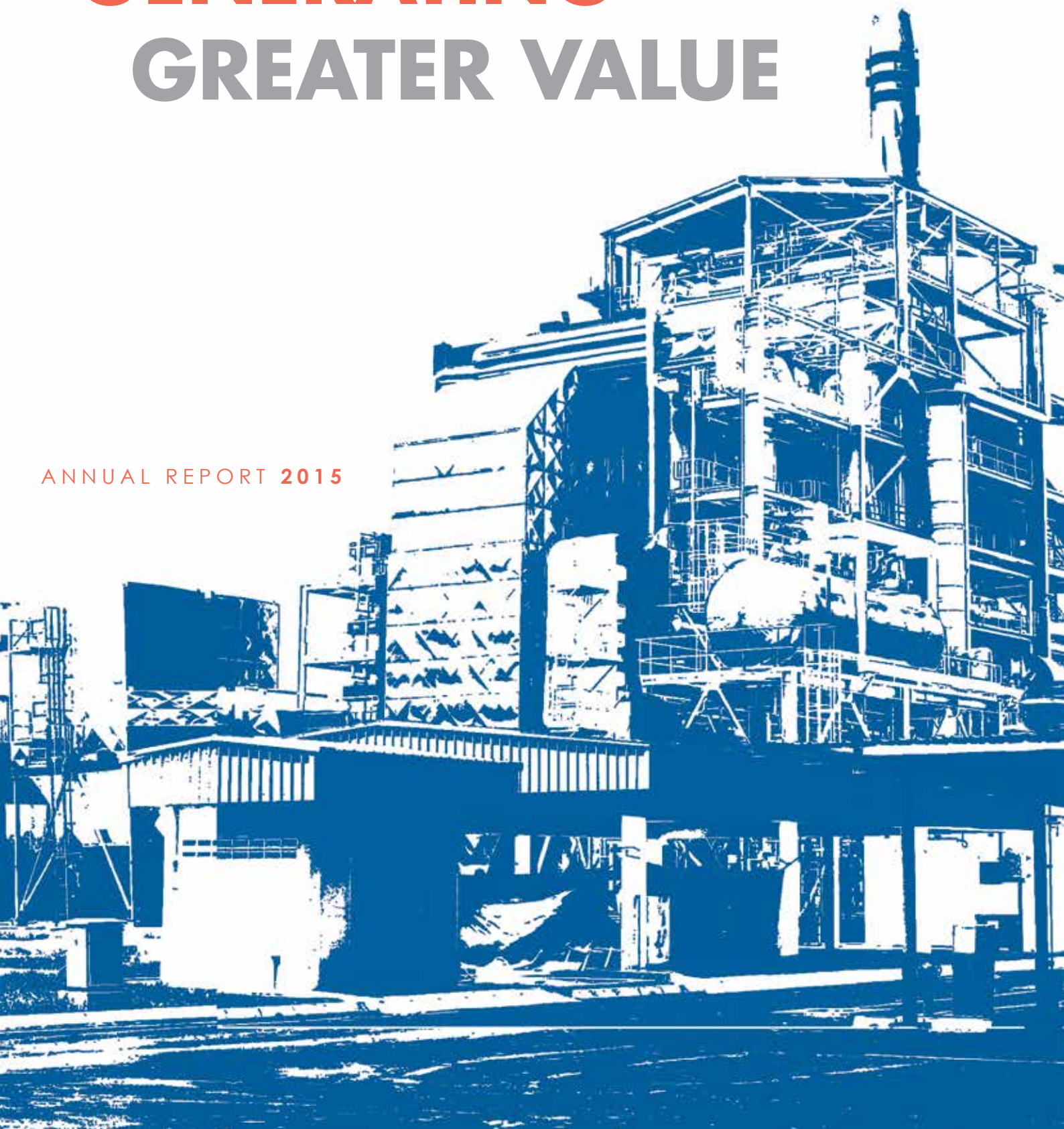


Asiatic Group

ASIATIC GROUP (HOLDINGS) LIMITED

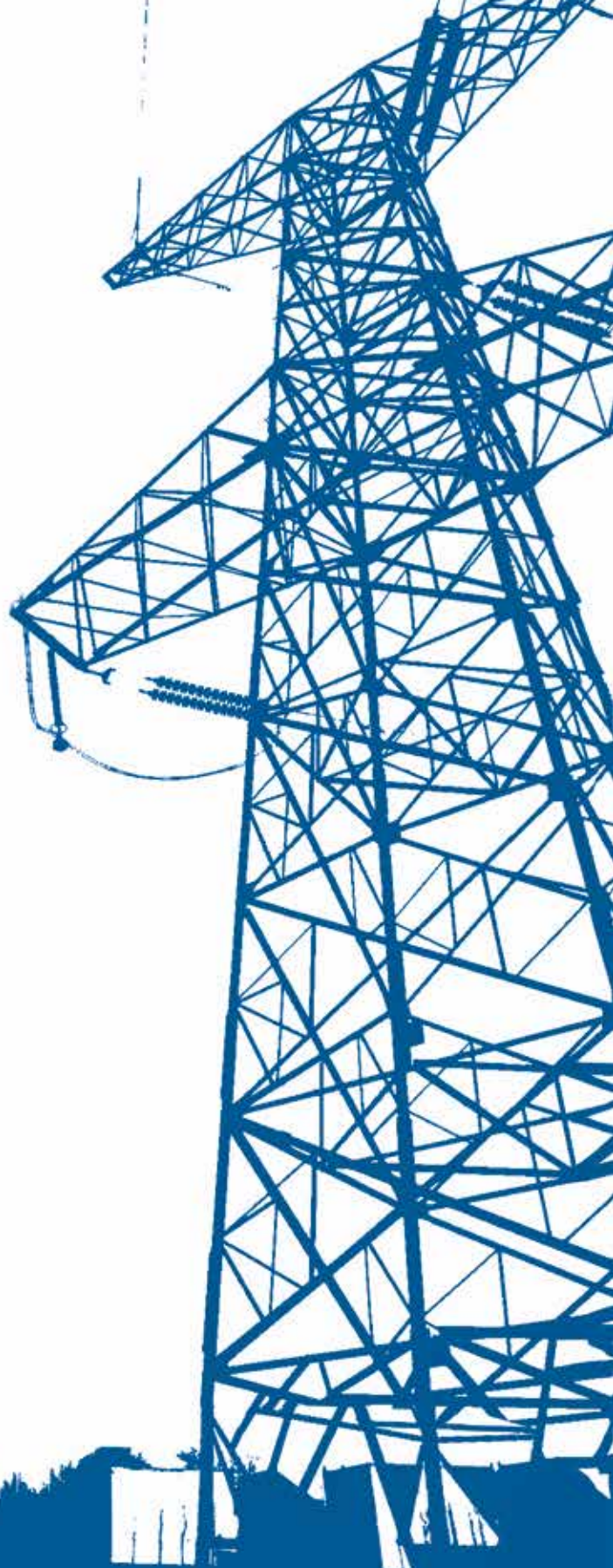
GENERATING GREATER VALUE

ANNUAL REPORT 2015



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This annual report has been prepared by Asiatic Group (Holdings) Limited (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 Catalyst. The Sponsor has not verified the contents of this annual report.

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

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.

ABOUT ASIATIC GROUP

We are an engineering management specialist playing a pivotal role in the development of two key sectors:

FIRE PROTECTION SOLUTIONS AND ENERGY

ENERGY

We provide Planning and Development services and participate as an Equity Investor in niche power plant projects in the region.

We operate as an EPC (engineering, procurement and construction) and O&M (Operation and Maintenance) contractor.



FIRE PROTECTION SOLUTIONS

We provide total Fire Protection Solutions such as systems and product design, supply, installation and commissioning for the maintenance of fire protection equipment and systems.

We manufacture most of our fire extinguishers and assemble most of our fire fighting products such as hose reels, hydrants, alarm systems and emergency lighting, under our brand name KILLFIRE.



MESSAGE TO SHAREHOLDERS

Dear Shareholders,

We are pleased to share with you the developments we have made in the financial year ended 31 March 2015 ("FY2015"). During the year in review, we made significant strides in further establishing ourselves as a regional independent power producer and a green solutions renewable energy group. We made further progress in the construction of our signature 12.5MW Maju Intan biomass power plant project in Perak, Malaysia, and are presently fine-tuning the operations which are close to completion. We received confirmation that the Feed-in Tariff Commencement Date was achieved on 27 August 2014, thereby enabling us to commence commercial operation. This plant uses empty fruit bunches—a waste product from palm oil mills as its feed-stock. We have also established a memorandum of understanding in November 2014 with a green energy company, CGNPC Solar-Biofuel Power (Singapore) Pte Ltd to jointly explore opportunities in renewable energy in the Asia Pacific. Such progress and inroads have been acknowledged, with our Managing Director Tan Boon Kheng winning an award recognising his achievements in this field.

Business and Financial Review

In FY2015, overall operating environment were characterised by continued uncertain economic conditions. The US economy exhibited signs of a weak recovery while Europe remained mired in sovereign debt and high unemployment. Meanwhile, China's economy continued its slowdown in growth. Southeast Asia, where we conduct the bulk of our operations, was affected by these mixed developments and generated moderate growth. According to the International Monetary Fund's World Economic Outlook January 2015 report, emerging and developing Asia registered growth of 6.5% over 2014 while the ASEAN-5 economies of Indonesia, Malaysia, Philippines, Thailand and Vietnam witnessed 4.5% growth in 2014, a deceleration from 5.2% growth recorded in the previous year.

Against this muted backdrop for business, we experienced a 34.5% decrease in the Group's revenue year-on-year to S\$39.4 million in FY2015. This was mainly due to the 48.1% reduction in revenue from the power-related division. The decrease in revenue from our power-related division was due to a decrease in construction revenue from S\$25.7 million in the financial year ended 31 March 2014 ("FY2014") to S\$4.1 million in FY2015 as the construction of the Malaysian biomass plant has been substantially completed.

The power-related division, which is our largest, comprised 58.4% or about S\$23.0 million of the Group's revenue in FY2015 while our fire-fighting and protection division comprised 41.6% or about \$16.4 million. The decrease in the Group's power related division revenue was partly offset by an increase in the revenue from the fire-fighting and protection division of approximately 3.5%. This increase was driven by a growth in sales from the industrial fire-fighting business.

The Group's profit from operations increased by 29.5% from S\$1.2 million in FY2014 to S\$1.6 million in FY2015. Cost of sales decreased by S\$22.5 million following substantial completion of the Malaysia biomass plant. The reduction was partly offset by an increase in depreciation expense of approximately S\$0.3 million which arose from the increase in property, plant and equipment as well as increases in salaries and employees' benefits of approximately S\$0.4 million.

Our Group's overall margin improved as the margin from electricity generation and fire-fighting and protection is higher as compared with that derived from the construction of the power plant. The overall margin for the fire-fighting and protection division also improved this financial year.

With the strengthening of the US Dollar, the Group recorded a

MESSAGE TO SHAREHOLDERS



Tan Boon Kheng

Tay Kah Chye

foreign exchange gain of S\$1.1 million, an increase of S\$0.4 million as compared to FY2014. Loss from the share of results of associates increased from S\$0.2 million in FY2014 to S\$1.1 million in FY2015, mainly from the losses incurred for the initial operation of Maju Intan Biomass Energy Sdn Bhd. Other operating expenses increased from S\$2.8 million in FY2014 to S\$3.1 million in FY2015 mainly due to higher processing fees incurred for loan refinancing and increase in operation and maintenance cost. The successful restructuring of short-term facilities to long-term facilities for financing of

the construction of the power plant and for transactional purposes enabled some savings as finance cost decreased by 19.2% in FY2015. Arising from a combination of the aforementioned factors, the Group's profit after tax increased from S\$0.03 million in FY2014 to S\$0.5 million in FY2015.

Financing for the Future

To better leverage on the regional opportunities available in the renewable energy space, we undertook a number of activities during the year in review.

In November 2014, Colben Energy Holdings (Vietnam) Ltd, ("CEHV") an indirect subsidiary, subscribed for 4.81 million shares in Lao Cai Renewable Energy (Vietnam) joint stock company ("LCRE"), a Vietnamese company that is developing a 29.7 MW hydroelectric plant in Lao Cai Province, Vietnam. The investment amounted to about US\$2.3 million.

We also subscribed for new shares and undertook a share swap with Viet Hydro Pte Ltd ("VietHydro"), a wholly-owned subsidiary of InfraCo Asia Development Pte. Ltd.,

MESSAGE TO SHAREHOLDERS



a Singapore-incorporated company. VietHydro owns the majority equity stake in LCRE. The other shareholders of LCRE are Vietnam Infrastructure Development and Finance Investment JSC and HVD Construction and Investment Consultants JSC. We entered into these arrangements to capitalise the US\$3.4 million owed to our indirect subsidiary CEHV by LCRE and VietHydro. This arose from the construction and development of the Coc San Hydroelectric Plant in Lao Cai Province, Vietnam.

After the share swap where CEHV converts all its shares held in LCRE for new shares in VietHydro, it will own 5.44 million shares in VietHydro. This represents 41.9% of the total issued share capital in VietHydro. VietHydro's total issued share capital will amount to US\$12.98 million upon completion of the above-mentioned transactions.

Recognised for Sustainability

Our strides towards being a leader in renewable energy have gained further recognition. In December 2014, our Managing Director Mr Tan Boon Kheng received an award in the category "Outstanding Leaders in Asia" at the Asia Corporate Excellence and Sustainability (ACES) Awards 2014. The awards were organised by the MORS Group, Malaysia, a corporate social responsibility organisation that promotes sharing of best practices among industry peers across Asia, aims to increase

the prominence of companies and individuals that have excelled as responsible leaders and facilitates companies in adopting sustainability strategies.

Outlook

As we enter the financial year ending 31 March 2016, we note that electricity demand for our plants in Phnom Penh and Sihanoukville is expected to decrease with new power plant installations coming up in Cambodia - although the plants will be compensated by their minimum offtake. On a positive note, our plant in the Phnom Penh Special Economic Zone should see an increase in demand for electricity with new tenants operating in the zone. We are the sole supplier of electricity in this economic zone. As for our fire-fighting and protection division, we expect the business to remain stable.

On another note, as at 31 March 2015, the Group recorded a net current liabilities position of S\$12.3 million, which arose mainly due to the utilisation of short-term finance for the Group's energy projects in Cambodia and Malaysia.

To facilitate our operations, we recently bolstered our financing. Subsequent to the end of FY2015, the Group secured additional banking facilities of approximately S\$4.8 million. As at the date of this annual report, approximately 200.5 million warrants have yet to be exercised. The outstanding warrants, if fully

MESSAGE TO SHAREHOLDERS

exercised, would provide the Group with additional funds of approximately S\$3.5 million. The Group is also currently in negotiations to restructure existing loans to improve its liquidity position.

Leveraging Partnerships

Partnerships are key to our business expansion. To further our progress and developments, we undertook a Memorandum of Understanding ("MOU") with CGNPC Solar-Biofuel Power (Singapore) Pte Ltd ("CGNPC") at the 6th Singapore-Guangdong Collaboration Council meeting in Singapore. This MOU was to establish a formal yet flexible framework to explore joint development of renewable energy projects in the Asia Pacific. We anticipate a growing demand for these projects in the wake of global warming and increasing global recognition of the need for sustainable energy sources and eco-friendly business practices. CGNPC, an independent third party to the Company, is a wholly-owned subsidiary of CGN Solar Energy Development Co., Ltd.

CGNPC had commenced construction of a 9.9 megawatt plant in Singapore in 2012 which, when completed, will generate electricity from a combination of waste biomass and solar energy. The plant uses a proprietary waste-to-energy process and a solar rooftop design to produce electricity with reduced carbon emissions. In the longer term, we are optimistic that the need for

energy, particularly sustainable, renewable energy, will increase with the development of Asian economies and the growth in recognition and demand for sustainable environmental practices by corporations. In this regard, we believe that we are well-positioned to leverage on our expertise and network.

Dividends

Recognising the long-standing support from our shareholders, we are proposing, for shareholders' approval at the forthcoming annual general meeting, a first and final cash dividend of 0.04 Singapore cents tax exempt (one tier) per ordinary share in respect of FY2015 as a form of return to our shareholders.

Acknowledgments

At this juncture, allow us to jointly thank our fellow directors on the Board, management and staff

for their unstinting efforts, strong support and astute advice over a busy twelve months. Acknowledgements must also be made to our shareholders and business partners. Our progress would not have been possible without you all. As we enter a new financial year, we look forward to working with you to take the Group further up the next level.

Tay Kah Chye
Independent Chairman

Tan Boon Kheng
Managing Director



OUR INVESTMENTS



At Asiatic, we have established solid track record as a developer, owner and operator of energy assets in the region. The coming on line of Asiatic invested biomass power plant in Perak Malaysia, has positioned us in line with the global choice of alternative fuel which is environmental friendly and sustainable, building a stronger brand equity in the industry.

Asiatic Fire protection business unit has developed into a specialised firefighting manufacturer and experienced service station. It handles products that are technologically advanced and most importantly, competitively priced in this sensitive market. It is recognised by local and international statutory boards such as Lloyd's Register, Det Norsk Veritas, Singapore Civil Defence Force, American Bureau of Shipping, Italian Rina and the United States of America Department of Transport (US-DOT).

ENERGY



We believe that we are in the right businesses - businesses that meet growing needs of the future and provide solutions and products to the expectations and challenges that our region is facing. Our energy business is a service provider

for industry and communities, supporting industrialization. Envisioning the future of "green" power, our investments into sustainable energy businesses in emerging markets will expand gradually.

MAJU INTAN BIOMASS POWER PLANT



Located in Teluk Intan Perak, Malaysia, this 12.5 MW Build Own and Operate Biomass Power Plant utilizes 100% biomass waste material called Empty Fruit Bunches (EFB), a waste

material after extraction of palm oil by Palm Millers. Contracted to supply 10 MW electricity to the national grid, this plant generates Carbon Credits.

OUR INVESTMENTS

COC SAN HYDRO POWER PLANT



Located in Chu Linh, Lao Cai Province, Northern Vietnam. A 50 years Build, Own and Operate joint venture investment in Lao Cai Renewable Energy (Vietnam) JSC, the hydropower plant

will be built with a 30MW capacity supplying electricity to the national grid. This plant will generate Carbon Credits.

PHNOM PENH POWER PLANT



Located in Phnom Penh, Cambodia. A Build, Own and Operate investment since 2007, this

10MW fossil fuel power plant has been providing electricity to the national grid.

OUR INVESTMENTS



SIHANOUKVILLE POWER PLANT

Located in Sihanoukville, Cambodia. A Build, Own and Operate plant since 2007, this fossil fuel power plant investment with capacity

of producing 10 MW of electricity has been providing electricity to the national grid.



PPSEZ POWER PLANT

Located in the Phnom Penh Special Economic Zone, Cambodia. A Build, Own and Operate investment since 2008, this fossil fuel power plant

consists of three 6.5 MW generator sets providing electricity to the industrial factories and facilities inside the Industrial Park.

OPERATIONS REVIEW

For the financial year ended 31 March 2015 ("FY2015"), the Group's revenue declined 34.5% to S\$39.4 million. This was mainly due to the decrease in revenue from the power-related division of approximately 48.1%. The decrease in revenue from our power-related division was due to the decrease in construction revenue from S\$25.7 million in FY2014 to S\$4.1 million in FY2015 as the construction of the Malaysia biomass plant is substantially completed.

Nonetheless, the decrease in Group revenue was partially offset by a 3.5% increase in revenue from the fire-fighting and protection division. The fire-fighting and protection revenue registered an increase with strengthening sales from the industrial fire-fighting business during FY2015 as compared to FY2014. Meanwhile, power generation revenue remained stable at approximately S\$18 million in both FY2014 and FY2015.

Profitability

The Group's profit from operations increased by about 29.5% from S\$1.2 million in FY2014 to S\$1.6 million in FY2015. Cost of sales decreased S\$22.5 million or 47.0% with the substantial completion of the Malaysia biomass plant. This was partially offset by an increase in depreciation of approximately S\$0.3 million arising from increase in property, plant and equipment as well as increases in salaries and employees benefits of approximately S\$0.4 million.



In terms of profitability, the Group's overall margin improved with higher revenue derived from electricity generation and fire-fighting and protection sales. The margin from electricity generation and fire-fighting and protection sales is higher as compared to the margin from revenue derived from the construction of the power plant. The margin for the fire-fighting and protection division has also improved this financial year. With the strengthening of the US Dollar, the Group recorded a foreign exchange gain of S\$1.1 million, an increase of S\$0.4 million as compared to FY2014. Losses from share of results of associates increased from S\$0.2 million in FY2014 to S\$1.1 million in FY2015 primarily from the losses incurred during the initial operation of Maju Intan Biomass Energy Sdn Bhd. Other operating expenses increased from S\$2.8 million in FY2014 to S\$3.1 million in FY2015 mainly due to increased processing fees for loan refinancing and operations and maintenance cost.

During FY2015, finance cost declined by 19.2% due to reduced usage of short term facilities for the construction of the power plant and for transactional purposes.

Profit after tax increased from S\$0.03 million in FY2014 to S\$0.5 million in FY2015 following the effects of a combination of the above factors.

Movement in Comprehensive Income

With the strengthening of the US Dollar in FY2015, we recorded a foreign currency translation gain on foreign operations amounting to S\$1.8 million, as compared to S\$1.3 million in FY2014. The charge was directly accounted for in the Statement of Equity under translation reserve.

Balance Sheet

As at 31 March 2015, non-current assets increased by S\$6.3 million to S\$88.7 million from S\$82.4 million as at 31 March 2014. The increase was due to the acquisition of an associated company, Viet Hydro Pte Ltd

during the financial year, and an increase in other investments due to an increased stake in Lao Cai Renewable Energy (Vietnam) Joint Stock Company ("LCREJSC") to 15%. Property, plant and equipment value increased due to the currency translation as a result of the strengthening of the US Dollar.

Current assets decreased by S\$4.3 million mainly due to the decrease in other receivables and prepayment from S\$9.4 million as at 31 March 2014 to S\$2.0 million as at 31 March 2015. This decrease was essentially due to the settlement of account by LCREJSC during the financial year. Trade receivables also decreased from S\$7.4 million as at 31 March 2014 to S\$6.0 million as at 31 March 2015 due to improved collection. The decrease is partially offset by an increase in construction-in-progress of S\$1.5 million in connection with the Malaysia biomass power plant, an increase in amount due from associates from S\$7.3 million as at 31 March 2014 to S\$8.6 million as at 31 March 2015 and an increase in cash and bank balances and fixed deposit of approximately S\$1.7 million. All these factors resulted in the overall decrease in current assets. The Group had financed increased operating expenses in Maju Intan Biomass Sdn. Bhd. due to increased operating activities, which resulted in an increase in amount due from associates.

Current liabilities decreased by S\$4.0 million to S\$38.9 million as at 31 March 2015 from S\$42.9

million as at 31 March 2014. This was mainly due to the decrease in excess of progress billing over construction work in progress in connection to the Malaysia biomass power plant of S\$4.7 million. This was partially offset by the increase in overdraft and short-term loan and borrowings of approximately S\$0.8 million combined. The increase in bank overdraft was to facilitate payment to trade creditors.

Non-current liabilities increased approximately by S\$0.6 million mainly because of an increase in amount due to a related party during the financial year which was a result of advances from a non-controlling interest to the subsidiary in Cambodia.

Cash Flow

During FY2015, net cash generated from operations amounted to S\$2.8 million. This was mainly due to the settlement of the other receivables but partially offset by the decrease in excess of progress billing over construction in progress, and increase in amount due from associates. Under the investing activities area, net cash flow of S\$5.7 million were used in FY2015. The Group has a net cash inflow from its financing activities of S\$0.8 million in FY2015 from the issue of shares pursuant to warrant conversion and increase in amount due to a related party. The increase was partially offset by repayment of trust receipts and short term borrowings and increase in pledged deposits. Overall cashflow for the Group decreased by S\$2.1 million during FY2015.

Outlook

According to the International Monetary Fund's World Economic Outlook update in April 2015, global growth in 2015 is projected to remain moderate and uneven at 3.5%; similar to its January 2015 report. Global growth is forecasted to improve to 3.8% in 2016, boosted by expansion in emerging markets.

For 2015, the US economy is projected to strengthen while Europe is slowly recovering although still grappling with sovereign debt problems and high unemployment. In Asia, Japan is projected to gradually pick up but China will likely experience a continued moderation in growth due to government economic cooling measures. In November 2014, and then again in May 2015, China's central bank instituted policies such as lowering interest rates and cutting the bank reserve ratio to boost its flagging economy. Any positive effects have yet to be seen, with its GDP in the first quarter slowing to a six-year low of 7%, according to China's National Bureau of Statistics. Southeast Asia, with its open economies, will experience the ripple effects of these developments and prospects are forecasted to be moderate.

Amid such uncertainties, we must tread with prudence while capitalising on our network, experience and expertise to foster our regional presence. Our core strengths remain, despite an evolving market landscape, and we will endeavour to harness them as we move forward.

BOARD OF DIRECTORS



Tay Kah Chye, 68

Independent Chairman

was appointed as a Non-Executive Independent Director of the Company, and Chairman of the Board on 1 October 2013 and was last re-elected at the AGM held on 25 July 2014. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He is currently the Executive Chairman of CLMV Consult Net Private Limited, a regional consulting company headquartered in Singapore and the Chief Executive Officer of the PATA Group (comprising PATA Consultancy Private Limited and PATA International Enterprise Private Limited). He has served as the Honorary Advisor of ASEAN Bankers Association, a regional banking industry group from 2008 to 2010. Prior to his retirement on 31 December 2007, Mr Tay was the President and Chief Executive Officer of ASEAN Finance Corporation Limited, a regional merchant bank based in Singapore and owned by various leading banks and financial institutions in ASEAN since 1991. He is an independent director of Wilmar International Ltd and Chemical Industries (Far East) Ltd.



Tan Boon Kheng, 54

Managing Director

is the Group Managing Director. He joined the Group in 1983 upon his graduation from Singapore Polytechnic with a diploma in mechanical engineering and was appointed a Director on 25 October 2002. His primary responsibilities are strategic planning and business development. Mr Tan was instrumental in the Group's foray into the overseas markets and expansion into the power generation business. Mr Tan has been accredited as a Qualified Fire Safety Manager by the Singapore Joint Civil Defence Force since 1982. Tan Boon Kheng is the brother of Tan Boon Yew and Tan Boon Siang. He was last re-elected at the AGM held on 31 July 2013.



Tan Boon Yew, 56

Executive Director

joined the Group in 1981 and is responsible for the management and supervision of the marine-based fire fighting and protection business. He was appointed a Director on 25 October 2002. Tan Boon Yew is the brother of Tan Boon Kheng and Tan Boon Siang. He was last re-elected at the AGM held on 27 July 2012. Pursuant to Article 103, Mr Tan Boon Yew will retire as a director via rotation at the forthcoming AGM and has consented for re-election as a director.

BOARD OF DIRECTORS



Tan Boon Siang, 46

Executive Director

joined the Group in 1993 and is responsible for the management and supervision of the land-based fire fighting and protection business. He was appointed a Director on 25 October 2002. He has been accredited as a Qualified Fire Safety Manager by the Singapore Joint Civil Defence Force since 1994. Tan Boon Siang is the brother of Tan Boon Kheng and Tan Boon Yew. He was last re-elected at the AGM held on 25 July 2014.



Seah Hai Yang, 53

Independent Director

was appointed as a Non-Executive Independent Director of the Company on 25 September 2007 and was last re-elected at the AGM held on 31 July 2013. Mr Seah is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. He is a Director and founder of a consultancy company which provides accounting consultancy and corporate secretarial support services. Prior to establishing his own company, he held senior appointments in accounting and finance with private and public companies in various industries. Mr Seah graduated from the National University of Singapore with an Accountancy degree and is a Fellow of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors and had acted as the Company Secretary for several public listed companies on the SGX-ST. Mr Seah is currently the Chief Financial Officer of a public company listed on the SGX-ST. Pursuant to Article 103, Mr Seah Hai Yang will retire as a director via rotation at the forthcoming AGM and has consented for re-election as a director.



Liew Ah Choy, Professor, 69

Independent Director

was appointed as a Non-Executive Independent Director on 20 January 2003 and was last re-elected at the AGM held on 25 July 2014. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Professor Liew has extensive experience in the fields of high voltage technology and electrical systems and is currently Professorial Fellow in Electrical & Computer Engineering at the National University of Singapore ("NUS"), and Director/CEO of EquiVolt Pte Ltd, a specialist consulting company in electrical engineering. Prior to joining NUS, Professor Liew was with the University of Malaya. He has held numerous leadership positions in several academic and professional institutions and has been a specialist consultant to many projects for government agencies and private companies in Singapore, Malaysia, Indonesia and Brunei. Professor Liew was a Colombo Plan scholar and graduated from the University of Queensland with First Class Honours in Electrical Engineering and has a PhD also from the University of Queensland. He is the recipient of several awards and honours from both academic and professional institutions and a Public Service Award Medal from the President of Singapore.

KEY MANAGEMENT



Tan Ah Kan @ Tan Kow La, PBM

is the founder of the Group. He is also the Group's former Chairman. He retired as a Non-Executive Director of the Company on 1 October 2013. Upon his retirement, Mr Tan continues to helm Asiatic System Pte. Ltd as a director. He was instrumental in building up the fire fighting and protection business over the past 30 years and has extensive experience and knowledge in the fire fighting and protection industry. He was awarded a PBM (Public Service Medal) in 2001 by the President of Singapore for his efforts and contributions to the community. Tan Ah Kan @ Tan Kow La is the father of Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang.



Ng Meng Cheng

is Director of Colben System Pte Ltd and Chief Operating Officer of Colben's operations in Cambodia. He is specialized in operating and handling heavy equipment, and has vast experience in offshore oil exploration logistic operation and all types of offshore anchor handling tug boat and holding a third marine officer rank. Since 1990, he entered into the Kingdom of Cambodia for various ventures and held senior positions in companies as Director/COO to Chairman.



Tan Sian Leong

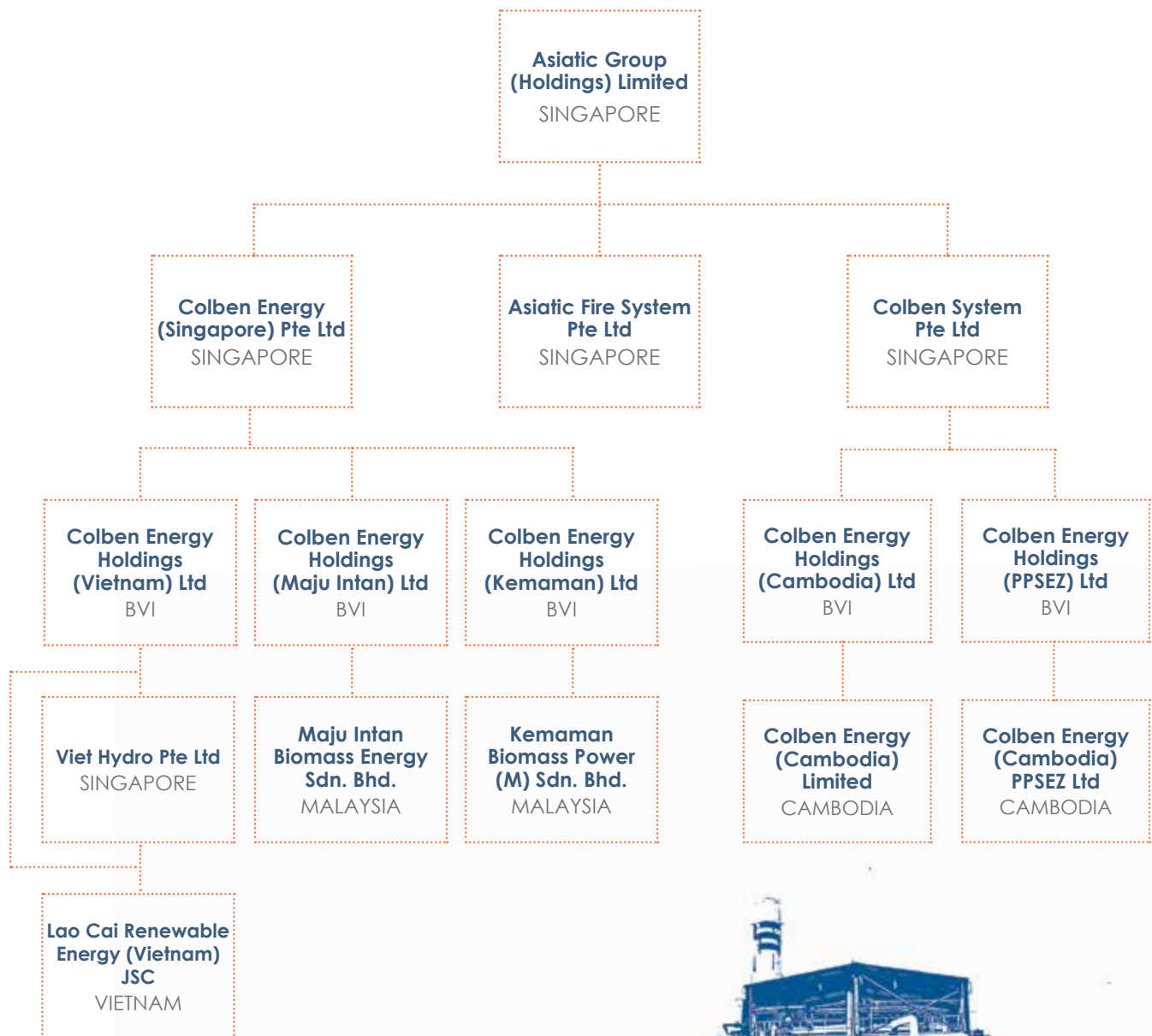
is our Financial Controller and is responsible for the strategic planning, corporate structuring, financial planning, treasury functions, statutory reporting and accounting of our Group. Prior to joining our Group in 2003, Mr Tan was an auditor in Ernst & Young and BDO International. Mr Tan graduated from Association of Chartered Certified Accountants with a professional certificate. He is a member of the Institute of Singapore Chartered Accountants and member of the Association of Chartered Certified Accountants.



Lee Yoke Chun

is our Administration and Human Resources Manager. Prior to joining our Group in 1987, Mdm Lee has worked in the administration and accounts departments of various companies in different industries, such as distribution, manufacturing and construction. Mdm Lee holds a diploma in business administration from the PSB. Mdm Lee is the spouse of our Managing Director, Tan Boon Kheng.

CORPORATE STRUCTURE



CORPORATE INFORMATION

Directors

Tay Kah Chye (Independent Chairman)
Tan Boon Kheng (Managing Director)
Tan Boon Yew (Executive Director)
Tan Boon Siang (Executive Director)
Liew Ah Choy (Independent Director)
Seah Hai Yang (Independent Director)

Company Secretaries

Tan Sian Leong
Leong Chee Meng Kenneth

Registered Office

65 Joo Koon Circle Singapore 629078
Tel: (65) 6863 0188
Fax: (65) 6897 9220

Company Registration No.

200209290R

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Ng Boon Heng
(with effect from financial year 2012)

Audit Committee

Seah Hai Yang (Chairman)
Liew Ah Choy
Tay Kah Chye

Remuneration Committee

Tay Kah Chye (Chairman)
Seah Hai Yang
Liew Ah Choy

Nominating Committee

Liew Ah Choy (Chairman)
Seah Hai Yang
Tay Kah Chye

Share Registrar and Warrant Agent

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore, 048623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of corporate governance and transparency within the Company, and together with its subsidiaries (the “**Group**”), to preserve and enhance the interests of all shareholders and investors. The Company has adopted corporate governance practices and guidelines with references to the Code of Corporate Governance 2012 (the “**Code**”) for the financial year ended 31 March 2015 (“**FY2015**”).

Pursuant to Rule 710 of Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”), this report describes the Company’s corporate governance processes and activities for FY2015 and up to the date of this report. Proper explanation has been given where there is a deviation from the recommended guideline(s).

(A) BOARD MATTERS

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

Board of Directors

The board of directors (the “**Board**”) is responsible for setting the strategic direction for the Company. Every Director is expected to act in good faith and always in the best interest of the Company and the Board is entrusted with the responsibility for the overall management of the Company.

The Board’s primary responsibilities include review and approval of policy guidelines, setting directions to ensure that the strategies undertaken seek to enhance shareholders’ wealth. The Board meets regularly on a half-yearly basis and as and when warranted by particular circumstances, both formally and informally. Meetings by the Board may also be conducted via telecommunication means. The following matters require the Board’s approval:

- Statutory requirements such as approval of financial statements;
- Other requirements such as half-year and full year results announcements;
- Corporate strategic direction, strategies and action plans;
- Issuance of policies and key business initiatives;
- Authorisation of acquisition/disposal and other material transactions;
- Declaration of interim dividends and proposal of final dividends; and
- Convening of shareholders’ meetings.

Non-executive directors are encouraged to constructively challenge and help develop strategies, and to review and monitor the performance of Management, agreed goals and objectives.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other consultants on the continuing obligations and requirements expected of a public company. Further, directors are encouraged to attend seminars and courses to complement their core expertise. When a director is first appointed to the Board, an orientation program is arranged for him to ensure that he is familiar with the Group’s business and governance practices. Upon appointment, a formal letter shall be issued setting out the duties, responsibilities and obligations of a director.

Our Board has established and delegated certain responsibilities to the Nominating Committee (“**NC**”), Remuneration Committee (“**RC**”) and Audit Committee (“**AC**”) (collectively, the “**Committees**”). The Committees are each chaired by an independent director and all members are independent and non-executive.

CORPORATE GOVERNANCE REPORT

Directors' Attendance at Board and Committee Meetings

Meeting of :	Board	AC	NC	RC
Total held in FY2015	2	2	1	1
Tay Kah Chye (Independent and non-executive Director)	2	2	1	1
Tan Boon Kheng (Managing Director)	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Tan Boon Yew (Executive Director)	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Tan Boon Siang (Executive Director)	1	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Seah Hai Yang (Independent and non-executive Director)	2	2	1	1
Liew Ah Choy (Independent and non-executive Director)	2	2	1	1

Note:

1. By invitation.

Every director has separate and independent access to the Management, Company Secretary and the external auditors at all times. The Company currently does not have a formal procedure to seek independent and professional advice for the furtherance of the Board's duties. However, the directors may, on a case-to-case basis, propose to the Board for such independent and professional advice to be sought, the cost of which will be borne by the Company.

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board comprises six (6) directors, namely, three (3) executive directors, and three (3) independent and non-executive directors, whose collective experience and contributions are valuable to the Company.

The Board has reviewed its size and is of the view that the current arrangement is adequate. There is a strong and independent element on the Board given that the independent directors form half of the Board and the Chairman of the Board is also an independent director. Accordingly, the composition of the Board is in compliance with the Code. The independent directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board comprises directors who have expertise across areas such as finance and accounting, business management and strategic planning.

CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The Company is cognizant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer (in our case, the Managing Director ("MD")). Mr Tan Boon Kheng is the MD while Mr Tay Kah Chye, an independent director, is the Chairman of the Board.

The roles of the Chairman and MD are separate to ensure a clear division of their responsibilities and increased accountability, in accordance with the recommendations of the Code. The Chairman is not related to the MD.

The Chairman is responsible for, inter alia, exercising control over quality, quantity and timeliness of flow of information between Management and the Board, and assisting in ensuring compliance with our Company's guidelines on corporate governance, while our MD is responsible for planning, business development and generally charting the strategic growth of the Group.

The Independent Directors have met periodically in the absence of Management in FY2015 as and when required.

Board Membership

Principle 4: *There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.*

Nominating Committee ("NC")

The NC comprises the following members, all whom are independent and non-executive directors:

- Liew Ah Choy (Chairman)
- Seah Hai Yang (Member)
- Tay Kah Chye (Member)

The NC is guided by key terms of reference as follows:

- Identifies candidates and reviews all nomination for the appointment and re-appointment of member of the Board based on his/her contribution and performance;
- Determines annually whether a Director is independent in accordance with the guidelines of the Code;
- Assesses the effectiveness of each Director as to whether he/she is able to and has adequately carried out his/her duties as a Director, in particular, where a Director has directorships in other companies;
- Reviews the structure, size and composition of the Board and make recommendations to the Board;
- Ensures that all new members of the Board undergo an appropriate orientation programme; and
- Decides how the Board's performance may be evaluated and proposes objective performance criteria for the Board's approval.

CORPORATE GOVERNANCE REPORT

The NC has examined the current size and composition of the Board and is satisfied that the Board has adequate ability to meet the Company's existing scope of needs and the nature of operations. From time to time, the NC will review the appropriateness of the Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment. Where a vacancy occurs, the Management and the Board will procure suitable candidates for the NC's review and consideration. If need be, the NC may also engage external search consultants to search for candidates at the Company's expense. The NC will review the candidate's credentials, and amongst others, assess the candidate's competency, suitability and ability to devote sufficient time for the Company. Upon a successful match, the NC will provide its recommendations to the Board for approval.

For the re-election of incumbent directors, the NC would assess the performance of the director in accordance with the performance criteria set by the Board and also consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The NC also considered and is of the opinion that the multiple listed company board representations held by its directors have not impeded their performance and abilities in carrying out their duties to the Company. Currently, the Board did not set any cap on the number of listed company board representations given that all the independent and non-executive directors do not have extensive list of multiple directorships and have been able to dedicate their time to the business of the Company. Nevertheless, if the Board finds that time commitment is lacking from any particular director, they may consider imposing a cap in future.

The independence of each independent and non-executive director is reviewed annually by the NC based on the criterion of independence provided by the Code. Every independent and non-executive director is also required to complete, and had in FY2015 completed, a declaration to confirm his independence. The NC had assessed the independence of each Director and considers Mr Tay Kah Chye, Mr Seah Hai Yang and Professor Liew Ah Choy to be independent.

For FY2015, the NC had applied a rigorous assessment with respect to a director whom had served beyond 9 years from the date of his first appointment. At the forthcoming annual general meeting ("**AGM**"), Professor Liew Ah Choy ("**Professor Liew**"), an independent and non-executive director who was first appointed in 2003, would have served as an Independent Director for more than 9 years. The NC had taken the opportunity to consider and assess Professor Liew, specifically on his length of service, judgement and character. The NC noted that Professor Liew is a well-known authority in his area of expertise, and his knowledge and experience complement the Group's business and industry. Professor Liew has always provided independent and technical views in deliberation on the Group's policies and business operations. Having received Professor Liew's affirmation on his independence, the NC is of the view that notwithstanding his long tenure, he is and has been able to maintain independence in his deliberation on the Group's matters. Further, Professor Liew's area of expertise and reputation would enhance the Group's competency. The Executive Directors have also made their own assessment and shared the same views. Following the rigorous review, the NC (with Professor Liew abstaining) and the Executive Directors deliberated and concurred that the independence of Professor Liew has not been compromised.

The Company does not have any alternate directors.

The Articles of Association of the Company (the "**Articles**") provide that at least one-third of the Board is required to retire via rotation at each AGM and that each director shall retire from office at least once every three (3) years. A retiring director is eligible for re-appointment subject to his consent. The NC has noted that the following directors will retire via rotation at the forthcoming AGM pursuant to Article 103 of the Articles:

Name of Director	Designation	Date of Last Re-election	Date of appointment
Tan Boon Yew	Executive Director	27 July 2012	25 October 2002
Seah Hai Yang	Independent and Non-Executive Director	31 July 2013	25 September 2007

The NC had reviewed and recommended that Mr Tan Boon Yew and Mr Seah Hai Yang, retiring via rotation pursuant to the Articles, being eligible and having consented, be nominated for re-election as directors at the forthcoming AGM. Subject to being duly re-elected, Mr Tan will remain as an Executive Director while Mr Seah will remain as the Chairman of the AC and a member of both the NC and RC. Mr Seah will be considered independent pursuant to Rule 704(7) of the Catalyst Rules.

CORPORATE GOVERNANCE REPORT

Profiles of the Directors

The profile of our directors can be found on pages 12 to 13 of this Annual Report.

Board Performance

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*

The NC has adopted a formal process to assess the performance and contributions of the Directors and the effectiveness of the Board as a whole. The NC sets objective performance criteria for the assessment which allow comparison with industry peers. The assessment criterion focuses on the effectiveness and efficiency on the Board's access to information, evaluation of the size and composition of the Board, the Board's processes, procedures and compliance, accountability, the Board's performance in connection to discharging its responsibilities and duties, and Directors' standards of conduct including his interactive skills, participation level at the Board and Committee meetings, insight knowledge and preparedness for the meetings as well as availability to attend meetings. In addition, the qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board.

The review process involves:

1. All Directors individually and collectively as a whole completed a board evaluation questionnaire on the effectiveness of the Board and the individual Directors based on the aforementioned performance criteria;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and
3. The NC discussed the report and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

Following the completion of the assessment for FY2015, the NC is of the opinion that the Board and each Director have been effective and have met their performance objectives during FY2015. The evaluation exercise is carried out annually.

Access To Information

Principle 6: *In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

The Board is kept abreast on the Group's operations and key performance through updates and reports, as well as through informal discussions given by Management (including the Managing Director and Executive Directors). Prior to any meetings of the Board or Committees, every Director, if applicable, are given sufficient board papers to prepare them for the meetings. Board members have separate and independent access to Management on queries or when they require additional information on the affairs of the Company and the Group.

Management would provide the Board with the required explanatory documents on matters to be brought before the Board. Copies of disclosure documents, budgets, forecasts, unaudited financial statements together with explanations for any significant or material variance between the budget and actual results are tabled by Management for review during the Board meeting.

Each Director also has access to the Company Secretary who attends the Board and the Committees' meetings. The Company Secretary also assists the Chairman and the Board in the conduct of meetings and ensure that procedures and corporate governance practices are adhered to. The appointment and removal of the Company Secretary is subjected to the approval of the Board as a whole.

Where the directors either individually or as a group, in the furtherance of their duties, require independent professional advice, Management had agreed to avail the obtaining of such service at the Company's expense.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

The composition of the RC is as follows. All members of the RC are independent and non-executive directors:

- Tay Kah Chye (Chairman)
- Seah Hai Yang (Member)
- Liew Ah Choy (Member)

The RC is guided by key terms of reference as follows:

- Reviews and recommends to the Board, a framework of remuneration for the Board and key management personnel;
- Recommends to the Board, the executives' and employees' share option schemes or any long term incentive schemes which may be set up from time to time and does all acts necessary in connection therewith;
- Reviews the level of remuneration that is appropriate to attract, retain and motivate the Directors and key management personnel; and
- Reviews and recommends to the Board the terms of renewal of Directors' service contracts.

The RC also administers the following share plans of the Company, namely:

1. Asiatic Share Option Scheme 2008 which was approved and adopted at the extraordinary general meeting ("EGM") held on 25 July 2008; and
2. Asiatic Performance Share Plan which was approved and adopted at the EGM held on 15 August 2013.

In determining remuneration packages of executive directors and key management personnel, the RC will ensure that they are adequately but not excessively rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain executive talent.

In determining the level and mix of remuneration, the RC ensures that the level should be appropriate to attract, retain and motivate Directors and key management personnel to run the Company successfully. The review of the remuneration packages takes into consideration the long-term interests and direction of the Group, the performance of the Group and the overall assessment of the Board and individual contribution of the Directors and key management personnel. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

In discharging their duties, the RC may seek professional advice where necessary. No remuneration consultants were engaged by the Company in FY2015.

All recommendations of the RC will be submitted for endorsement by the entire Board. No director is involved in deciding his own remuneration and directors' fees are recommended by the Board for approval by the shareholders at the AGM.

CORPORATE GOVERNANCE REPORT

Level and Mix Of Remuneration

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

For FY2015, the RC had reviewed the remuneration packages for directors, key management personnel and the employees who are related to the directors. The remuneration of the executive directors, Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang, are covered by service agreements which are subject to yearly renewal. Their respective service agreements were renewed for a further year with a nominal increment in basic salary starting from the financial year ending 31 March 2016 while the other existing terms and conditions of their service agreements remain unchanged.

Disclosure on Remuneration

Principle 9: *Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The total remuneration and breakdown (in percentage terms) of the remuneration of Directors of the Company for FY2015 is set out below:

Name of Director	Total Remuneration (S\$)	Base/ Fixed Salary	Directors' Fee	Bonus	Other Benefits	Total
Tan Boon Kheng ⁽¹⁾⁽⁴⁾	417,000	82%	–	18%	–	100%
Tan Boon Yew ⁽¹⁾	294,000	83%	–	17%	–	100%
Tan Boon Siang ⁽¹⁾	299,000	83%	–	17%	–	100%
Tay Kah Chye	30,000	–	100%	–	–	100%
Liew Ah Choy	25,000	–	100%	–	–	100%
Seah Hai Yang	30,000	–	100%	–	–	100%

The breakdown (in percentage terms) of the remuneration of the 6 top key management personnel of the Group for FY2015 is set out below:

Name of Key Management Personnel	Designation, Name of Entity	Base/ Fixed Salary (%)	Bonus (%)	Total (%)
Below S\$250,000				
Bob Andersen ⁽²⁾	Chief Operating Officer	100	–	100
Tan Ah Kan @ Tan Kow La ⁽¹⁾	Director, Asiatic Fire System Pte. Ltd.	81	19	100
Tan Ah Soi ⁽³⁾	Factory Manager, Asiatic Fire System Pte. Ltd.	86	14	100
Lee Yoke Chun ⁽⁴⁾	Group Admin & HR Manager	88	12	100
Tan Sian Leong	Group Financial Controller	90	10	100
Ng Meng Cheng	Director, Colben System Pte Ltd	100	–	100

Notes:

1. Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang are the sons of Tan Ah Kan @ Tan Kow La.
2. Bob Andersen had ceased as Chief Operating Officer of the Group on 31 October 2014.
3. Tan Ah Soi is the brother of Tan Ah Kan @ Tan Kow La.
4. Lee Yoke Chun is the spouse of Tan Boon Kheng.

CORPORATE GOVERNANCE REPORT

The aggregate remuneration paid to the above key management personnel was approximately S\$944,000 in FY2015.

No termination, retirement and post-employment benefits were granted to the Directors or the key management personnel for FY2015.

Remuneration of other employees related to a director

Tan Chee Meng and Tan Tze Wee are cousins to Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang, the Managing Director and Executive Directors of the Company. The aggregate remuneration (including CPF contributions thereon and benefits) of these employees amounted to approximately S\$120,000. The individual remuneration of Tan Chee Meng and Tan Tze Wee is between S\$50,000 to S\$100,000.

Save as disclosed, there is no family relationship between any of our Directors, key management personnel and other employees.

The Asiatic Share Option Scheme 2008 (the "Scheme")

The Asiatic Share Option Scheme 2008 (the "**Scheme**") was approved and adopted by the members of the Company at the EGM held on 25 July 2008. The Scheme is administered by a committee comprising the members of the RC (the "**Scheme Committee**"). Under the Scheme, selected employees and directors of the Group are eligible to participate at the discretion of the Scheme Committee. Controlling shareholders and their associates (as defined in the Catalyst Rules of the SGX-ST) shall not participate in the Scheme.

The Scheme shall continue in force for a maximum period of 10 years commencing from 25 July 2008, provided always that the Scheme may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The information regarding the Scheme is as follow:

- (a) The aggregate number of shares over which options may be granted, when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the option.
- (b) The Scheme has two categories of options, being the Market Price Option and the Incentive Option:
 - (i) Under the Market Price Option, the exercise price is the average of the last dealt prices for a share as determined by reference to the daily official list published by the SGX-ST for the five (5) consecutive market days immediately preceding the date of grant, rounded up to the nearest whole cent (the "**Market Price**"); or
 - (ii) Under the Incentive Option, the Committee has the discretion to issue option with an exercise price set a discount not exceeding 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted by the SGX-ST).
- (c) The eligible grantee must accept the offer of the option within a period of not less than 15 days and not more than 30 days from the date of such offer else the offer will lapse. Upon the acceptance of the offer, the grantee shall pay to the Company the sum of S\$1.00.
- (d) A Market Price Option may be exercised during the period commencing after the 12 months period from the offer date and expiring on the tenth anniversary of such offer date. An Incentive Option can be exercised during the period after the 24 months period from the offer date and expiring on the tenth anniversary of such offer date. Option granted to the non-executive directors will expire on the fifth anniversary of such offer date.

Since the commencement of the Scheme and for FY2015, no options have been granted yet.

CORPORATE GOVERNANCE REPORT

The Asiatic Performance Share Plan

The Company has adopted a performance share plan known as Asiatic Performance Share Plan (the “**Share Plan**”) which was approved by the shareholders of the Company at the EGM held on 15 August 2013. The Share Plan is administered by the RC and no share has been awarded to any directors or participants who are controlling shareholders and their associates under the Share Plan since adoption and for FY2015.

The Share Plan is designed to complement the existing Scheme and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. The Directors believe that the Share Plan will provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining local and foreign talent.

Unlike the Scheme whereby participants are required to pay the exercise price of the options, the Share Plan allows the Company to provide an incentive for Participants to achieve certain specific performance targets by awarding fully paid Shares to Participants after these targets have been met.

In addition, the assessment criteria for granting option(s) under the Scheme are more general (e.g. based on length of service and general performance of the Group) and do not relate to specific performance targets imposed by the Company. In contrast, the assessment criteria for granting of awards under the Share Plan will be based on specific performance targets or time-based service conditions, or a combination of both.

The Share Plan allows for participation by the Group's employees (including the Group's Executive Directors Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang) and Non-Executive Directors (including independent Directors) who have attained the age of 21 years on or before the relevant date of grant of the award provided that none shall be an undischarged bankrupt at the relevant time, and who, in the absolute discretion of the RC, will be eligible to participate in the Share Plan.

Subject to the absolute discretion of the RC, the controlling shareholders and their associates who meet the criteria as set out above are eligible to participate in the Share Plan, provided that (a) the participation of, and (b) the terms of each grant and the actual number of awards granted under the Share Plan to, a participant who is a controlling shareholder or his associate shall be approved by independent shareholders in a general meeting in separate resolutions for each such person.

Subject to the absolute discretion of the RC and prior to any grant of an award to any controlling shareholder or his associate, the Company will seek approval from its independent shareholders for the participation of such person in the Share Plan and/or the grant of an award to such person. Further details of the Share Plan are disclosed on page 32 of the Report of the Directors.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

The Board is aware and responsible to provide balanced and easy to understand assessment of the Group's performance, position and prospects, including interim and other price sensitive public information, reports to regulators (if required) and its sponsor. Management provides Directors with sufficient relevant information on the Group's financial performance and insight into the industries' operating conditions where the Group operates on a timely basis. The Company also adopts an open door policy to encourage Independent Directors to seek explanation or have informal discussion on any aspect of the Group's operations or business from Management.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Controls

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance and has outsourced its internal audit function. KPMG Services Pte. Ltd. was the internal auditor ("IA") for the Group for FY2015. In assessing the design and operating effectiveness of internal controls, the Board notes that the system of internal control provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The Group's financial risk management objectives and policies are further discussed under note 32 to the financial statements.

The system of internal controls maintained by the Group includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational, information technology and compliance risks. However, the Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

As part of the annual statutory audit, the Group's external auditors conduct an annual review, in accordance with their audit plan, of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken on the recommendations made by the external auditors in this respect, if any. For FY2015, the AC had received assurance from the Managing Director and Financial Controller:

- (i) that the financial records have been properly maintained and the financial statements gives true and fair view of the Company's operation and finances; and
- (ii) the Company's risks management and internal control systems were effective.

Based on the internal controls established and maintained by the Group, work performed by the IA and work performed on key internal controls by the external auditors, reviews performed by the Management and the various Committees, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risk as at 31 March 2015.

Audit Committee ("AC")

Principle 12: *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

All members of the AC are independent and non-executive directors and its composition is as follows:

- Seah Hai Yang (Chairman)
- Liew Ah Choy (Member)
- Tay Kah Chye (Member)

CORPORATE GOVERNANCE REPORT

The AC is guided by key terms of reference as follows:

- reviews the financial and operating results and accounting policies of the Group;
- reviews with the external auditors the audit plan and their evaluation of the system of internal accounting controls and monitor Management's response and actions to correct any noted deficiencies;
- reviews the internal audit plan and findings of the internal auditors;
- evaluates the effectiveness of both the internal and external audit efforts through regular meetings;
- determines that no unwarranted Management restrictions are being placed upon either the internal or external auditors;
- reviews the financial statements with Management and external auditors for submission to the Board;
- reviews interested person transactions;
- reviews the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- recommends to the Board the appointment, re-appointment and/or removal of the external auditors;
- reviews the interim and annual announcements of financial results of the Group before submission to the Board for approval;
- meets with the external auditors without the presence of the Management, at least once annually;
- reviews the independence of the external auditors annually; and
- generally undertakes such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC meets at least two times a year and as frequently as is required. In particular, the AC meets to review the financial statements before announcement. In the financial year under review, the AC has met to review and approve the audit plan, and the half-year and full-year unaudited results for announcement purposes. The AC has also met with the external auditors in the absence of Management in FY2015.

To enable the AC to discharge its function properly, it has full access to and co-operation from Management and has full discretion to invite any director or executive officer to attend its meetings.

The AC may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if deems necessary to discharge its responsibilities properly. Such expenses would be borne by the Company.

The AC may also review arrangements (in accordance with the Group's whistle-blowing policy) by which staff of the company and external parties such as vendors and customers may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC ensures that arrangements are in place for the independent investigation of such matters and that appropriate follow up actions are carried out.

Pursuant to Rule 715 of the Catalist Rules, the AC noted that the Company and its Singapore incorporated subsidiaries were audited by Messrs Ernst & Young LLP based in Singapore. The statutory auditors for subsidiaries in Cambodia were Messrs BDO (Cambodia) Limited based in Cambodia. For the purposes of the Group's audit and consolidation, Messrs Ernst & Young LLP, Singapore, had also performed a full audit of the accounts of the Cambodian subsidiaries.

CORPORATE GOVERNANCE REPORT

The Board and the AC had reviewed the audit arrangements with Messrs Ernst & Young LLP, Singapore, and noted that the current arrangement had not compromised the standard and effectiveness of the audit for the Group and that the auditors had no objection on the current arrangement. The Company has complied with Rules 712 and 715 of the Catalist Rules.

Non-audit services provided by the external auditors (if any) are reviewed by the AC to ensure that the provision of such services which would not affect the independence of the external auditors.

There were no non-audit fees paid to Messrs Ernst & Young LLP and Messrs BDO (Cambodia) Limited during FY2015. The AC has also recommended the re-appointment of Messrs Ernst & Young LLP as the external auditors for the ensuing financial year.

The Board had assessed and reviewed, together with the assistance of the NC, to ensure that the members of the AC were appropriately qualified to discharge their responsibilities. The Board viewed that adequate and reasonable assistance and support was properly rendered by the Directors and Management to enable the AC to carry out its role effectively and efficiently. The AC comprises members who have expertise and experience in financial management and are qualified to discharge the AC's responsibilities. The AC was also provided with information such as updates on consultation papers issued by the SGX-ST as well as the changes to the Singapore's Financial Reporting Standards.

Internal Audit

Principle 13: *The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

The AC will review the adequacy and effectiveness of the internal auditor annually. The IA's primary line of reporting is to the Chairman of the AC. However, they also have an administrative reporting function to Management where planning, coordinating, managing and implementing internal audit work cycle are concerned. The IA report was also given to the external auditors to ensure effective use of resources and to avoid duplication of efforts.

The AC is satisfied that IA is adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

Principle 15: *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

Principle 16: *Companies should encourage shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

Policy on dissemination of public information

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Group's new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on SGXNET. The Company does not practice selective disclosure of material information. Price sensitive information is publicly released and results of the Group's financial performance are announced and/or issued within the mandatory periods.

The Notice of the AGM is advertised in the local press. All shareholders of the Company will receive a copy of the Annual Report and the Notice of AGM. Under the existing Articles of Association of the Company, a shareholder may vote in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder of the Company.

CORPORATE GOVERNANCE REPORT

At the AGM, shareholders are given opportunities to express their views and ask the Board and Management questions regarding the operations of the Group. The Chairmen of the AC, RC and NC will normally be present at the AGM to answer any questions relating to the work of their respective committees. The external auditors are also present to assist the Directors in addressing any relevant queries on the financial statements from the shareholders.

Shareholders are given opportunities to participate effectively and to vote at AGM and general meetings. At AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings will be made available to shareholders upon their request after the general meeting.

Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.asiatic.com.sg.

Dividend policy

The Company does not have a fixed dividend policy. Dividend decisions are subject to review of financial performance, projected future capital needs and working capital requirements.

The Board appreciates the support of the shareholders and has proposed a first and final dividend of S\$0.0004 tax-exempt (one-tier) per ordinary share in respect of FY2015 as a reward for their support and return on investment. The aforesaid proposed dividend will be tabled for shareholders' approval at the forthcoming AGM.

(E) DEALING IN SECURITIES

The Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees, setting up the implications on insider trading. The internal code prohibits the dealing in securities of the Company by the listed issuer, its officers and employees whilst in possession of price-sensitive information, and during the period beginning one month before the announcement of the half yearly and annual results, and ending on the date of the announcement.

Directors are required to report securities dealings to the Company Secretary who will assist to make the required announcements. In addition, Directors and employees are reminded to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

(F) INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are reviewed and approved by the AC, and are conducted at arm's length basis. Save for the corporate secretarial support services rendered by Van Der Broeck's Consultancy Pte Ltd, a corporation associated with Mr Seah Hai Yang, a Director of the Company amounting to S\$21,120/- during FY2015 (which the Board opined as immaterial and that the charges were per the mandate agreed prior to his appointment as a director), there were no interested person transactions during the year under review for disclosure pursuant to Rule 907 of the Catalist Rules. Mr Seah Hai Yang had abstained from the deliberations and review regarding the aforesaid transaction.

(G) MATERIAL CONTRACTS

There is no material contract entered into between the Company and its subsidiaries involving the interests of the Managing Director, any director or controlling shareholder which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

(H) NON-SPONSOR FEES (RULE 1204(21))

There were no non-sponsor fees paid to PrimePartners Corporate Finance Pte. Ltd. for FY2015.

CORPORATE GOVERNANCE REPORT

(I) USE OF PROCEEDS (RULE 1204(5F) AND (22))

	SS'000
Net proceeds from the rights issue	11,799
Net proceeds from the warrant conversion	8,769
	20,568
<i>Use of proceeds:</i>	
Current energy project	20,000
Balance	568

The above utilisation is in line with the intended use as stated in the Company's announcement dated 28 May 2013 in respect of the rights cum warrants issue.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Asiatic Group (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2015.

Directors

The directors of the Company in office at the date of this report are:

Tay Kah Chye
Tan Boon Kheng
Tan Boon Yew
Tan Boon Siang
Liew Ah Choy
Seah Hai Yang

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap.50, an interest in shares of the Company as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Tan Boon Kheng	106,656,004	106,656,004	—	—
Tan Boon Yew	60,336,000	60,336,000	—	—
Tan Boon Siang	62,872,000	62,872,000	—	—

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related companies, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm in which the director is a member, or with a Company in which the director has a substantial financial interest.

DIRECTORS' REPORT

Share options and performance shares

Asiatic Share Option Scheme

The Asiatic Share Option Scheme (the “Scheme”) was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 25 July 2008. The Scheme is administered by the members of the Remuneration Committee (the “Committee”). Under the Scheme, selected employees and directors of the Group are eligible to participate at the discretion of the Committee. Controlling Shareholders and their associates (as defined in the Listing Manual of the SGX-ST Section B: Rules of the Catalist of the SGX-ST (the “Catalist Rules”) shall not participate in the Scheme. The other information regarding the Scheme is disclosed in Note 27 to the financial statements.

Since the commencement of the Scheme and for FY2015, no options have been granted. There were no unissued shares of the Company under option as at the end of the financial year.

There were also no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

Asiatic Performance Share Plan

The Asiatic Performance Share Plan (the “Plan”) was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 15 August 2013. The Plan is administered by the members of the Remuneration Committee (the “Committee”). Under the Plan, all Group employees including Controlling Shareholders and their associates are eligible to participate at the discretion of the Committee. The other information regarding the Plan is disclosed in Note 27 to the financial statements.

No share has been awarded to any directors or participants who are controlling shareholders and their associates under the Plan since adoption and for FY2015.

No shares has been awarded to any directors or participants who are controlling shareholders and their associates, which, in aggregate, represent five per centum (5%) or more of the aggregate number of new shares available under the Plan and as such, no vesting of shares has taken place.

Audit Committee (“AC”)

The AC carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- reviewed the financial and operating results and accounting policies of the Group;
- reviewed with the external auditors the audit plan and their evaluation of the system of internal accounting controls and monitor Management’s response and actions to correct any noted deficiencies;
- reviewed the internal audit plan and findings of the internal auditors;
- evaluated the effectiveness of both the internal and external audit efforts through regular meetings;
- determined that no unwarranted management restrictions are being placed upon either the internal or external auditors;
- reviewed the financial statements with Management and external auditors for submission to the Board;
- reviewed Interested Person Transactions;
- reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- recommended to the Board the appointment, or re-appointment and removal of the external auditors;

DIRECTORS' REPORT

- reviewed the interim and annual announcements of financial results of the Group before submission to the Board for approval;
- met with the external auditors without the presence of the Company's Management, at least annually; and
- reviewed the independence of the external auditors annually.

The AC, having reviewed and noted that there were no non-audit services provided by the external auditors to the Group, is satisfied that the independence of the external auditors is not affected. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors

Tay Kah Chye
Director

Tan Boon Kheng
Director

Singapore
7 July 2015

STATEMENT BY DIRECTORS

We, Tay Kah Chye and Tan Boon Kheng, being two of the directors of Asiatic Group (Holdings) Limited, do hereby state that, in the opinion of the directors:

- (a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year then ended on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due on the assumption that, as stated in Note 2.2 to the financial statements, the Group will be able to raise additional funds from the outstanding warrants issued, generate positive cash flows from operations and receive continued financial support from banks for a period of 12 months from the date these financial statements were approved.

On behalf of the board of directors

Tay Kah Chye
Director

Tan Boon Kheng
Director

Singapore
7 July 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIATIC GROUP (HOLDINGS) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Asiatic Group (Holdings) Limited (the Company) and its subsidiaries (collectively, the Group) set out on pages 37 to 91, which comprise the balance sheets of the Group and the Company as at 31 March 2015, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIATIC GROUP (HOLDINGS) LIMITED

Emphasis of Matter

We draw attention to Note 2.2 to the financial statements. The Group's current liabilities exceeded its current assets by S\$12.3 million. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the Group's ability to raise additional funds from the outstanding warrants issued, generates positive cash flows from operations and receive continued financial support from banks. If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated balance sheet. In addition, the Group may have to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
7 July 2015

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 \$'000	2014 \$'000
Revenue			
Sale of goods		12,909	13,138
Sale of services		22,334	21,226
Construction revenue		4,129	25,774
		<u>39,372</u>	<u>60,138</u>
Other income	4	386	247
Costs and expenses			
Cost of sales		(25,354)	(47,857)
Foreign exchange gain		1,082	649
Staff costs		(5,950)	(5,555)
Depreciation of property, plant and equipment	9	(3,708)	(3,407)
Other operating expenses		(3,115)	(2,787)
Share of results of associates	11	<u>(1,095)</u>	<u>(179)</u>
Profit from operating activities	5	1,618	1,249
Finance costs	6	<u>(974)</u>	<u>(1,205)</u>
Profit before tax		644	44
Income tax expense	7	<u>(185)</u>	<u>(12)</u>
Profit for the year		<u>459</u>	<u>32</u>
Attributable to:			
Owners of the Company		408	154
Non-controlling interest		51	(122)
		<u>459</u>	<u>32</u>
Earnings per share (cent per share)			
Basic	8	0.04	0.03
Diluted	8	<u>0.03</u>	<u>0.02</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	2015 \$' 000	2014 \$'000
Profit for the year	459	32
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	1,838	1,560
Foreign currency translation from reclassification of investment in a subsidiary to other investments	–	(257)
Other comprehensive income for the year, net of tax	1,838	1,303
Total comprehensive income for the year	2,297	1,335
Attributable to:		
Owners of the Company	1,901	1,445
Non-controlling interest	396	(110)
Total comprehensive income for the year	2,297	1,335

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2015

	Note	Group		Company	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	74,573	73,113	22	22
Investment in subsidiaries	10	–	–	38,133	38,133
Investment in associates	11	4,880	3,172	–	–
Goodwill	12	175	175	–	–
Other investments	13	9,048	5,954	–	–
		<u>88,676</u>	<u>82,414</u>	<u>38,155</u>	<u>38,155</u>
Current assets					
Inventories	14	3,730	3,790	–	–
Trade receivables	15	6,026	7,398	–	–
Other receivables	16	642	8,010	–	–
Prepayments		1,319	1,382	15	11
Construction in progress	22	1,513	–	–	–
Amounts due from subsidiaries	17	–	–	25,428	14,583
Amounts due from associates	18	8,631	7,321	–	–
Cash and short-term deposits	19	4,705	3,009	68	662
		<u>26,566</u>	<u>30,910</u>	<u>25,511</u>	<u>15,256</u>
Current liabilities					
Trade payables	20	8,221	9,350	–	–
Other payables and accruals	21	2,092	1,259	659	436
Excess of progress billing over construction in progress	22	–	4,687	–	–
Amounts due to subsidiaries	17	–	–	7,030	–
Hire purchase creditors	23	2	6	–	–
Loans and borrowings	24	27,999	27,191	–	–
Provision for taxation		573	433	–	–
		<u>38,887</u>	<u>42,926</u>	<u>7,689</u>	<u>436</u>
Net current (liabilities)/ assets		(12,321)	(12,016)	17,822	14,820

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2015

	Note	Group		Company	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Amount due to a related company	25	(3,711)	(1,637)	–	–
Hire purchase creditors	23	(4)	(6)	–	–
Loans and borrowings	24	(11,539)	(13,033)	(4,000)	(4,000)
Deferred tax liabilities	26	(47)	(47)	–	–
Net assets		61,054	55,675	51,977	48,975
Equity attributable to owners of the Company					
Share capital	27	44,645	40,862	44,645	40,862
Revenue reserve		13,383	13,573	7,332	8,113
Foreign currency translation reserve	28	(2,120)	(3,613)	–	–
		55,908	50,822	51,977	48,975
Non-controlling interests		5,146	4,853	–	–
Total equity		61,054	55,675	51,977	48,975

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Attributable to equity holders of the Company					
	Share capital (Note 27) \$'000	Revenue reserve \$'000	Foreign currency translation reserve (Note 28) \$'000	Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group 2015						
Opening balance at 1 April 2014	40,862	13,573	(3,613)	50,822	4,853	55,675
Profit for the year	–	408	–	408	51	459
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	1,493	1,493	345	1,838
Total comprehensive income for the year	–	408	1,493	1,901	396	2,297
<u>Contributions by and distributions to owners</u>						
Issuance of shares	3,783	–	–	3,783	–	3,783
Dividend paid	–	(598)	–	(598)	(103)	(701)
Total contributions by and distributions to owners	3,783	(598)	–	3,185	(103)	3,082
Closing balance at 31 March 2015	<u>44,645</u>	<u>13,383</u>	<u>(2,120)</u>	<u>55,908</u>	<u>5,146</u>	<u>61,054</u>
Group 2014						
Opening balance at 1 April 2013	24,077	13,419	(4,904)	32,592	7,618	40,210
Profit for the year	–	154	–	154	(122)	32
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	1,548	1,548	12	1,560
Foreign currency translation from reclassification of investment in a subsidiary to other investments	–	–	(257)	(257)	–	(257)
Total comprehensive income for the year	–	154	1,291	1,445	(110)	1,335
<u>Contributions by and distributions to owners</u>						
Issuance of shares	17,727	–	–	17,727	–	17,727
Share issuance expense	(942)	–	–	(942)	–	(942)
Total contributions by and distributions to owners	16,785	–	–	16,785	–	16,785
<u>Others</u>						
Deemed disposal of a subsidiary, representing total others (Note 10)	–	–	–	–	(2,655)	(2,655)
Closing balance at 31 March 2014	<u>40,862</u>	<u>13,573</u>	<u>(3,613)</u>	<u>50,822</u>	<u>4,853</u>	<u>55,675</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Company	Share capital (Note 27) \$'000	Revenue reserve \$'000	Total equity \$'000
Opening balance at 1 April 2014	40,862	8,113	48,975
Profit for the year, representing total comprehensive income for the year	–	(183)	(183)
<u>Contributions by and distributions to owners</u>			
Issuance of shares	3,783	–	3,783
Dividend paid	–	(598)	(598)
Total transactions with owners in their capacity as owners	3,783	(598)	3,185
Closing balance at 31 March 2015	44,645	7,332	51,977
Opening balance at 1 April 2013	24,077	7,175	31,252
Profit for the year, representing total comprehensive income for the year	–	938	938
<u>Contributions by and distributions to owners</u>			
Issuance of shares	17,727	–	17,727
Share issuance expense	(942)	–	(942)
Total transactions with owners in their capacity as owners	16,785	–	16,785
Closing balance at 31 March 2014	40,862	8,113	48,975

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	2015 \$'000	2014 \$'000
Operating activities		
Profit before tax	644	44
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	3,708	3,407
Interest expense	974	1,205
Gain on disposal of property, plant and equipment	(6)	(6)
Allowance of doubtful debts	91	145
Written back of allowance of doubtful debts	(148)	(97)
Interest income	(3)	(26)
Gain on deemed disposal of a subsidiary (Note 10)	–	(58)
Currency alignment	(3,619)	(269)
Share of results of associates	1,095	179
Operating cash flows before changes in working capital	2,736	4,524
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	60	(158)
Decrease/(increase) in trade and other receivables	8,860	(6,689)
(Increase)/decrease in amount due from associates	(1,310)	790
Decrease in trade and other payables	(296)	(487)
Decrease in excess of progress billing over construction in progress	(6,200)	(15,126)
Cash flows generated from/(used in) operations	3,850	(17,146)
Interest received	3	26
Interest paid	(974)	(1,205)
Income taxes paid	(44)	(121)
Net cash flows generated from/(used in) operating activities	2,835	(18,446)
Investing activities		
Purchases of property, plant and equipment (Note 9)	(237)	(230)
Net cash outflow on deemed disposal of a subsidiary (Note 10)	–	(135)
Proceeds from disposal of property, plant and equipment	403	6
Purchase of investment	(5,908)	–
Net cash flows used in investing activities	(5,742)	(359)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	2015 \$'000	2014 \$'000
Financing activities		
Net proceeds from issuance of shares	3,783	16,785
Repayment of trust receipts and short-term borrowings	(98)	(8,708)
(Repayment of)/proceeds from interest bearing term loans	(1,494)	4,248
(Increase)/decrease in fixed deposits pledged	(2,752)	614
Repayment under hire-purchase contracts	(6)	(9)
Increase in amount due to related parties	2,074	650
Dividend paid	(598)	–
Dividend paid to minority interest	(103)	–
Net cash flows from financing activities	806	13,580
Net decrease in cash and cash equivalents	(2,101)	(5,225)
Effect of exchange rate changes on cash and cash equivalents	140	71
Cash and cash equivalents at beginning at 1 April	2,072	7,226
Cash and cash equivalents at 31 March (Note 19)	111	2,072

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

1. Corporate information

Asiatic Group (Holdings) Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 65 Joo Koon Circle, Singapore 629078.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The Group mainly operates in Singapore, Cambodia, Vietnam and Malaysia.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000) as indicated.

2.2 Fundamental accounting concept

As at 31 March 2015, the Group's current liabilities exceeded its current assets by S\$12.32 million (2014: S\$12.02 million). This condition indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In the opinion of the directors, the Group is able to continue as a going concern despite its net current liabilities position as the directors are of the view that the Group will be able to raise additional funds from the outstanding warrants issued, generates positive cash flows from operations and receive continued financial support from banks for a period of 12 months from the date these financial statements were approved.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated balance sheet. In addition, the Group may have to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 Share Based Payment	1 July 2014
(b) Amendments to FRS 108 Operating Segments	1 July 2014
(c) Amendments to FRS 16 Property, Plant and Equipment	1 July 2014
(d) Amendments to FRS 38 Intangible Assets	1 July 2014
(e) Amendments to FRS 24 Related Party Disclosures	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 113 Fair Value Measurement	1 July 2014
Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

Except for Amendments to FRS 115 and FRS 109, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 is described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 is effective for financial periods beginning on or after 1 January 2017. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

FRS 109 Financial Instruments

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective (cont'd)

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 and FRS 109 will have an impact on the Group.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at each balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at each balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of each balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment (cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Factory buildings	- 60 years
Motor vehicles	- 5 years
Office equipment, computers, furniture and fittings	- 3 to 10 years
Plant and machinery	- 5 years
Renovations	- 3 to 5 years

Power plant related assets are depreciated on a reducing balance basis over the estimated useful lives to a range between 10 to 50 years.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.12 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.12 Associates (cont'd)

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.14 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date to the estimated costs to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they can be reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.19 Government grants (cont'd)

Government grants related to income

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Employee benefits

Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.23 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.23 Leases (cont'd)

As lessee (cont'd)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.24 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from rendering of services are recognised by reference to the stage of completion at the end of the balance sheet date. During the year, the Group's sales of service were generated from its power system project and maintenance services performed on its fire-fighting equipment.

(c) Construction revenue

Construction revenue is recognized according to the accounting policy in Note 2.16.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income arising from operating leases on equipment is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the balance sheet date, in the countries where the Group operates and generates taxable income.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.25 Taxes (cont'd)

(a) Current income tax (con'd)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.25 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issuance expense

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

2. Summary of significant accounting policies (cont'd)

2.29 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

3. Significant accounting judgments and estimates (cont'd)

3.1 Judgments made in applying accounting policies (cont'd)

(ii) Going concern assumption

As at 31 March 2015, the Group's current liabilities exceeded its current assets by S\$12,320,000 (2014: S\$12,031,000). Directors have prepared the consolidated financial statements on a going concern basis as they expect the Group to be able to raise additional funds from the outstanding warrants issued, generate positive cash flows from operations and receive continued financial support from banks. This will enable the Group to pay its debts as and when they fall due. In making the going concern assessment, judgment is involved in determining some of the assumptions used in the cash flow projections, which includes among other factors, the electricity rate, future market outlook and projected energy consumption rate in coming years.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward amounting to \$18,553,000 (2014: \$16,139,000). These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiary has neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by \$3,669,000 (2014: \$3,195,000).

The carrying amount of the Group tax payable and deferred taxation at 31 March 2015 were \$573,000 (2014: \$433,000) and \$47,000 (2014: \$47,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) Impairment of investment in subsidiaries

The Company assesses at the end of each balance sheet date whether there is an indication that the investment in subsidiaries may be impaired. Impairment test are performed by management when there are indications of impairment. This will require an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Company to make an estimation of the future expected cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries at 31 March 2015 was \$38,133,000 (2014: \$38,133,000).

(iii) Useful lives and residual value of power plant related assets

The cost of power plant related assets is depreciated on a reducing balance basis over their estimated useful lives. Management estimates the useful lives of these power plants related assets to be within 10 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's power plants assets at the end of each balance sheet date is disclosed in Note 9 to the financial statement.

(iv) Impairment of property, plant and equipment

The Company assesses at the end of each balance sheet date whether there is an indication that property, plant and equipment may be impaired. Impairment test are performed by management when there are indications of impairment. This will require an estimation of the value in use of the cash-generating units or the market value of the relevant assets. Estimating the value in use requires the Group to make an estimation of the future expected cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 March 2015, there is no impairment of property, plant and equipment in the Group's account. The carrying amount of the Group's property, plant and equipment at 31 March 2015 was \$74,573,000 (2014: \$73,113,000).

4. Other income

	Group	
	2015	2014
	\$'000	\$'000
Interest income	3	26
Special employment credit	89	74
SME cash grants	4	9
Sale of sludge and scrap metals	1	27
Gain on disposal of property, plant and equipment	6	6
Gain on deemed disposal of a subsidiary	–	58
Others	283	47
	<u>386</u>	<u>247</u>

NOTES TO THE FINANCIAL STATEMENTS

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5. Profit from operating activities

The following items have been included in arriving at profit from operating activities:

	Group	
	2015	2014
	\$'000	\$'000
Audit fees payable to:		
- Auditors of the Company	(97)	(98)
- Other auditors	(8)	(30)
Allowance of doubtful debts (Note 15)	(91)	(145)
Write back of allowance of doubtful debts (Note 15)	148	97
Contributions to defined contribution plans	(331)	(304)
Insurance	(272)	(298)
Inventories recognised as an expense in cost of sales (Note 14)	(12,486)	(15,603)
Legal fees	(90)	(129)
Other operating expenses:		
- Rental	(152)	(182)
- Travelling and transportation	(161)	(156)

6. Finance costs

	Group	
	2015	2014
	\$'000	\$'000
Interest expense on:		
- Bank interest	(973)	(1,203)
- Hire purchase	(1)	(2)
	(974)	(1,205)

7. Income tax expense

The component of taxation for the financial years ended 31 March 2015 and 2014 are:

	Group	
	2015	2014
	\$'000	\$'000
Statement of comprehensive income		
Current taxation	185	133
Overprovision in respect of previous years	—	(121)
Tax expense recognised in profit or loss	185	12

NOTES TO THE FINANCIAL STATEMENTS

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7. Income tax expense (cont'd)

Reconciliation of the statutory tax rate to the effective tax rate applicable to profit before tax for the financial years ended 31 March 2015 and 2014 are as follows:

	Group	
	2015	2014
	%	%
Statutory tax rate	17.0	17.0
Tax effect on:		
Effect of different tax rates in foreign countries	(4.1)	(133.5)
Income not subjected to tax	(41.4)	(698.1)
Expenses that are not deductible for tax purposes	25.7	501.6
Effect of partial tax exemption and tax relief	(7.9)	(125.5)
Deferred tax not recognised	36.4	738.8
Utilisation of previously deferred tax not recognised	(0.1)	(8.0)
Overprovision in respect of previous years	–	(271.0)
Others	(0.2)	6.0
Effective tax rate	25.4	27.3

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

As at 31 March 2015, the Group has tax losses of approximately \$18,553,000 (2014: \$16,139,000) that are available for offset against future taxable profit of the companies in which the losses arose. The resulting deferred tax asset of \$3,669,000 (2014: \$3,195,000) are not recognised due to uncertainty of its recoverability. The use of these unutilised tax losses subject to the agreement of the tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the companies operate.

8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2015	2014
	\$'000	\$'000
Profit for the year attributable to owners of the Company	408	154

NOTES TO THE FINANCIAL STATEMENTS

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8. Earnings per share (cont'd)

	Group	
	2015	2014
	No. of shares	
	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	1,121,449	573,535
Effects of dilution:		
Warrants	206,863	215,062
Weighted average number of ordinary shares for diluted earnings per share computation*	1,328,312	788,597

* The weighted average number of shares takes into account the weighted average effect of potential common shares that may be converted during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Earnings per share computation

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profits and share data are presented in table above.

9. Property, plant and equipment

Group	Factory buildings \$'000	Motor vehicles \$'000	Office equipment, computers, furniture and fittings \$'000	Plant and machinery \$'000	Renovations \$'000	Power plant \$'000	Assets under construction \$'000	Total \$'000
Cost								
At 1 April 2013	4,821	695	307	131	40	66,653	16,438	89,085
Additions	–	266	81	29	47	17,020	57	17,500
Translation	–	–	–	–	–	1,010	882	1,892
Disposals	–	(46)	–	(11)	–	–	–	(57)
Deemed disposal of a subsidiary (Note 10)	–	–	–	–	–	–	(9,448)	(9,448)
At 31 March 2014 and 1 April 2014	4,821	915	388	149	87	84,683	7,929	98,972
Additions	–	97	49	69	22	–	–	237
Translation	–	–	–	–	–	7,701	–	7,701
Disposals	–	(28)	–	–	–	–	(397)	(425)
At 31 March 2015	4,821	984	437	218	109	92,384	7,532	106,485

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9. Property, plant and equipment (cont'd)

Group	Factory buildings \$'000	Motor vehicles \$'000	Office equipment, computers, furniture and fittings \$'000	Plant and machinery \$'000	Renovations \$'000	Power plant \$'000	Assets under construction \$'000	Total \$'000
Accumulated depreciation								
At 1 April 2013	941	566	217	67	30	20,313	–	22,134
Charge for the year	94	68	35	20	7	3,183	–	3,407
Translation	–	70	4	–	–	301	–	375
Disposals	–	(46)	–	(11)	–	–	–	(57)
At 31 March 2014 and 1 April 2014	1,035	658	256	76	37	23,797	–	25,859
Charge for the year	95	92	43	31	15	3,432	–	3,708
Translation	–	–	–	–	–	2,373	–	2,373
Disposals	–	(28)	–	–	–	–	–	(28)
At 31 March 2015	1,130	722	299	107	52	29,602	–	31,912
Net book value								
At 31 March 2014	3,786	257	132	73	50	60,886	7,929	73,113
At 31 March 2015	3,691	262	138	111	57	62,782	7,532	74,573

During the financial year, total additions to property, plant and equipment included \$Nil (2014: \$17,270,000) from the acquisition of fixed assets as a result of the settlement agreement with Phnom Penh Special Economic Zone Co., Limited. The Group's cash outflow on acquisition of property, plant and equipment amounted to \$237,000 (2014: \$230,000).

As at 31 March 2015, the Group had fixed assets purchased under hire-purchase contracts with a total carrying amount of \$10,000 (2014: \$16,000).

As at 31 March 2015, the Group's power plant and assets under construction with carrying amount of \$70,314,000 (2014: \$68,804,000) are subject to a first charge to secure the bank loans (Note 24).

Assets pledged as security

In addition to assets held under finance leases, the Group's factory buildings with a carrying amount of \$3,691,000 (2014: \$3,786,000) are mortgaged to secure the Group's bank loans (Note 24).

Impairment of assets

Based on valuations performed by independent appraisers, Colliers International Consultancy & Valuation (Singapore) Private Limited and Bonna Realty Group for power plants in Cambodia in March 2014, there is no impairment required for the carrying amounts of these assets. There are no changes to the circumstances to render the valuation is outdated.

The valuations are estimates of the amounts for which these assets could be exchanged between a knowledgeable willing buyer and seller at an arm's length transaction on the valuation date.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

10. Investment in subsidiaries

	Company	
	2015 \$'000	2014 \$'000
Shares, at cost	38,133	38,133

(a) *Composition of the Group*

The subsidiaries as at 31 March are:

Name of company (Country of incorporation)	Principal activities (Place of business)	Unquoted equity shares, at cost		Proportion (%) of ownership interest	
		2015	2014	2015	2014
		\$'000	\$'000	%	%
Held by the Company					
Asiatic Fire System Pte Ltd * (Singapore)	Supply, installation and maintenance of fire fighting and protection equipment (Singapore)	8,284	8,284	100	100
Colben System Pte Ltd * (Singapore)	Business of controlled power supply, engineering and procurement and construction in power generation projects and precision gear products (Singapore)	19,849	19,849	100	100
Colben Energy (Singapore) Pte Ltd* (Singapore)	Holding company for the Group's investments in energy related business in the region (Singapore)	10,000	10,000	100	100
		<u>38,133</u>	<u>38,133</u>		
Name of company (Country of incorporation)	Principal activities (Place of business)			Proportion (%) of ownership interest	
				2015	2014
				%	%

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

10. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion (%) of ownership interest	
		2015 %	2014 %
Held by subsidiaries (cont'd)			
Colben Energy Holdings (Maju Intan) Ltd # (British Virgin Islands)	Investment holding company and construction of power generation facilities (British Virgin Islands)	100.0	100.0
Colben Energy Holdings (Kemaman) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	100.0	100.0
Colben Energy (Cambodia) Limited **+ (Cambodia)	Operate power plant (Cambodia)	85.0	85.0
Colben Energy (Cambodia) PPSEZ Limited **##+ (Cambodia)	Operate power plant (Cambodia)	49.0	49.0
Lao Cai Renewable Energy (Vietnam) Joint Stock Company (formerly known as Colben Energy (Vietnam) Joint Stock Company) *** (Vietnam)	Operate power plant (Vietnam)	15.0^	13.5&

* Audited by Ernst & Young LLP, Singapore

** Audited by BDO (Cambodia) Ltd, Cambodia

*** Audited by DTL Auditing Company, Vietnam

+ Audited by Ernst & Young LLP, Singapore for the purpose of consolidation of the Group

Not required to be audited by the law of its country of incorporation

Classified as subsidiary as the Company has effective control over the board of directors of this company

& Deemed to be disposed and ceased to be a subsidiary of the Group

^ Please refer to Note 13 for further reference

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

10. Investment in subsidiaries (cont'd)

(a) *Composition of the Group (cont'd)*

Deemed disposal of a subsidiary

On 4 July 2013, the Group's interest in Lao Cai Renewable Energy (Vietnam) Joint Stock Company ("LCREJSC") was diluted from 51.0% to 13.5% as a result of the Subscription Agreement between Colben Energy Holdings (Vietnam) Ltd and Viet Hydro Pte Ltd. LCREJSC ceased to be a subsidiary of the Group and was deemed to be disposed.

	2014 \$'000
Carrying values of identifiable assets and liabilities of LCREJSC on date of deemed disposal	
Property, plant and equipment (Note 9)	9,448
Current assets (including cash)	350
Current liabilities (including amount due to the Group)	(6,179)
Translation reserve	257
	<u>3,876</u>
Reclassification of remaining 13.5% equity interest as other investment (Note 13)	(1,279)
Minority interest share of net assets	(2,655)
Gain on deemed disposal of a subsidiary	(58)
Cash and cash equivalents in subsidiary deemed disposed	(135)
Net cash outflow on deemed disposal of a subsidiary	<u>(135)</u>

(b) *Interest in subsidiary with material non-controlling interest ("NCI")*

The Group has the following subsidiary that has NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of the reporting period	
		2015	2014	2015	2014	2015	2014
		%	%	'000	'000	'000	'000
Colben Energy (Cambodia)							
PPSEZ Limited	Cambodia	27 ^{##}	27 ^{##}	(111)	(171)	5,648	5,429

^{##} Due to a shareholder loan agreement which allows the conversion of shareholder's loan into shares, the effective proportion of ownership interest held by non-controlling interest is deemed to be at 27%.

NOTES TO THE FINANCIAL STATEMENTS

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10. Investment in subsidiaries (cont'd)

(c) *Summarised financial information about subsidiary with material NCI*

Summarised financial information including goodwill on acquisition and consolidation adjustment but before intercompany eliminations of subsidiaries with material non-controlling interest are as follows:

Summarised balance sheets

	Colben Energy (Cambodia) PPSEZ Limited	
	2015	2014
	\$'000	\$'000
Current:		
Assets	1,329	1,217
Liabilities	(43,827)	(43,219)
Net current liabilities	(42,498)	(42,002)
Non-current:		
Assets	60,873	57,485
Liabilities	(3,711)	(1,637)
Net non-current assets	57,162	55,848
Net assets	14,664	13,846
Summarised statement of comprehensive income		
Revenue	9,775	6,807
Loss before income tax	(416)	(637)
Loss after tax	(416)	(637)
Other comprehensive income	–	–
Total comprehensive income	(416)	(637)

11. Investment in associates

	Group	
	2015	2014
	\$'000	\$'000
Shares, at cost	6,703	3,765
Share of post-acquisition reserves	(1,418)	(320)
Exchange differences	(405)	(273)
	4,880	3,172

NOTES TO THE FINANCIAL STATEMENTS

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11. Investment in associates (cont'd)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2015 %	2014 %
Held through subsidiaries:				
Maju Intan Biomass Energy Sdn. Bhd.*	Malaysia	Operate power plant	30	30
Kemaman Biomass Power (M) Sdn. Bhd.*	Malaysia	Operate power plant	30	30
VietHydro Pte. Ltd. **	Singapore	Developing infrastructural projects	22	–

* Audited by Simon Khor & Co, Malaysia

** Audited by Ernst & Young LLP, Singapore

Kemaman Biomass Power (M) Sdn. Bhd. is individually immaterial to the Group. Aggregate information about the Group's investments in associate that is not individually material is as follows:

	Kemaman Biomass Power (M) Sdn. Bhd.	
	2015 \$'000	2014 \$'000
Loss after tax	(5)	(4)
Other comprehensive income	–	–
Total comprehensive income	(5)	(4)
Carrying amount of the investment	13	149

NOTES TO THE FINANCIAL STATEMENTS

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11. Investment in associates (cont'd)

The summarised financial information in respect of material associates Maju Intan Biomass Energy Sdn. Bhd. and VietHydro Pte. Ltd., based on FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Maju Intan Biomass Energy Sdn. Bhd.		VietHydro Pte. Ltd.
	2015	2014	2015
	\$'000	\$'000	\$'000
Current assets	1,355	341	21,895
Non-current assets	55,914	56,733	15,014
Total assets	57,269	57,074	36,909
Current liabilities	18,198	9,228	2,850
Non-current liabilities	32,295	37,187	15,660
Total liabilities	50,493	46,415	18,510
Non-controlling interests	–	–	9,294
Net assets	6,776	10,659	9,105
Net assets excluding goodwill	6,776	10,659	9,105
Proportion of the Group's ownership	30%	30%	22%
Group's share of net assets	2,033	3,198	2,003
Other adjustments	(37)	(175)	868
Carrying amount of the investment	1,996	3,023	2,871

Summarised statement of comprehensive income

	Maju Intan Biomass Energy Sdn. Bhd.		VietHydro Pte. Ltd.
	2015	2014	2015
	\$'000	\$'000	\$'000
Revenue	2,620	–	–
Loss after tax from continuing operations	(3,446)	(573)	(1,019)
Other comprehensive income	–	–	(67)
Total comprehensive income	(3,446)	(573)	(1,086)

12. Goodwill

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
At 1 April and 31 March	175	175	–	–

Goodwill acquired through business combinations have been allocated to cash-generating units ("CGU"), Colben System Pte Ltd ("Colben"), a subsidiary whose principal activities are to carry on the business as distributors and representatives of controlled power supply and precision gear products.

The Board of Directors has assessed that the goodwill allocated to the CGU is not significant and accordingly an assessment of the goodwill has not been performed.

NOTES TO THE FINANCIAL STATEMENTS

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13. Other investments

	Group	
	2015	2014
	\$'000	\$'000
Non-current:		
<i>Held-to-maturity investment</i>		
- 12% per annum convertible bonds (unquoted)	4,454	4,630
<i>Available-for-sale investment</i>		
- Investment in Lao Cai Renewable Energy (Vietnam) Joint Stock Company (previously known as Colben Energy (Vietnam) Joint Stock Company) (Note 10)	4,549	1,279
Exchange differences	45	45
	<u>9,048</u>	<u>5,954</u>

Convertible bonds

The Group has entered into a convertible bond agreement with the other shareholders of an associate, Maju Intan Biomass Energy Sdn Bhd in which the shareholders issued an aggregate principal amount of Malaysia Ringgit ("RM") 12 million 12% convertible bonds with maturity date on the twelve anniversary date of the issue date at an issue price of 100% of the principal amount of the bonds. The convertible bonds are convertible into ordinary shares of the associate and/or new ordinary shares of the issuer only on certain events of redemption such as initial public offering and insolvency of the associate. Interest is waived until the underlying project for which the proceeds of the bonds to be utilised is completed.

Investment in Lao Cai Renewable Energy (Vietnam) Joint Stock Company ("LCREJSC")

In 2014, Colben Energy Holdings (Vietnam) Ltd ("CEHV") and LCREJSC entered into a subscription agreement with Viet Hydro Pte Ltd ("VietHydro"), in which VietHydro subscribed to 8.4 million new shares, at VND 10,000 per share of LCREJSC. Subsequent to the subscription, the Group's interest in LCREJSC, formerly a subsidiary known as Colben Energy (Vietnam) Joint Stock Company, is diluted to 13.5% and LCREJSC has ceased to be a subsidiary of the Group (Note 10). The investment in LCREJSC has been reclassified as available-for-sale investment in other investments. As the investment is unquoted, the fair value cannot be reliably measured and has been accounted for at cost.

In 2015, CEHV subscribed to 4.81 million new shares, at VND 10,000 per share of LCREJSC. The Group's interest in LCREJSC has increased from 13.5% to 15%.

14. Inventories

	Group	
	2015	2014
	\$'000	\$'000
<i>Balance sheet:</i>		
Trading stocks, at cost	3,799	3,859
Less: Allowance for stock obsolescence	(69)	(69)
	<u>3,730</u>	<u>3,790</u>
<i>Income statement:</i>		
Inventories recognised as an expense in cost of sales	<u>12,846</u>	<u>15,603</u>

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15. Trade receivables

	Group	
	2015	2014
	\$'000	\$'000
Trade receivables	6,152	7,581
Less: Allowance for doubtful debts	(126)	(183)
	<u>6,026</u>	<u>7,398</u>

Trade receivables are non-interest bearing and are generally on 30 to 60-day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade debtors that are past due but not impaired

The Group has trade receivables amounting to \$3,026,000 (2014: \$2,664,000) that are past due at the balance sheet date but not impaired. These trade receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2015	2014
	\$'000	\$'000
Trade receivables past due:		
Less than 31 days	870	1,125
31 to 60 days	862	555
61 to 90 days	520	378
91 to 365 days	774	606
	<u>3,026</u>	<u>2,664</u>

	Group	
	Individually impaired	
	2015	2014
	\$'000	\$'000
Trade receivables – nominal amounts	126	183
Less: Allowance for doubtful debts	(126)	(183)
	<u>–</u>	<u>–</u>

Movement in allowance accounts:

At 1 April	183	390
Charge for the year	91	145
Written off	–	(255)
Written back	(148)	(97)
At 31 March	<u>126</u>	<u>183</u>

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors who have delay in payments and indication of default on payments. These trade receivables are not secured by any collateral or credit enhancements.

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15. Trade receivables (cont'd)

Trade receivables denominated in foreign currencies at 31 March is as follows:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
United States Dollar	1,611	3,176	–	–
	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables	6,026	7,398	–	–
Other receivables (Note 16)	642	8,010	–	–
	6,668	15,408	–	–
Amounts due from subsidiaries (Note 17)	–	–	25,428	14,583
Amounts due from associates (Note 18)	8,631	7,321	–	–
	15,299	22,729	25,428	14,583
Cash and short-term deposits (Note 19)	4,705	3,009	68	662
Total loans and receivables	20,004	25,738	25,496	15,245

16. Other receivables

	Group	
	2015 \$'000	2014 \$'000
Deposits	197	191
Sundry debtors	445	7,819
	642	8,010

Sundry debtors are unsecured, non-interest bearing, repayable on demand and includes amount due from Lao Cai Renewable Energy (Vietnam) Joint Stock Company of \$nil (2014: \$6,437,000). The amount has been reclassified as other receivables and arose from the deemed disposal of the subsidiary during the year ended 31 March 2014 (Note 10).

17. Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable in cash upon demand.

18. Amounts due from associates

Amounts due from associates are non-trade in nature, unsecured, interest-free and repayable in cash upon demand.

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19. Cash and short-term deposits

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	1,527	2,754	68	662
Short-term deposits	3,178	255	–	–
Cash and short-term deposits	4,705	3,009	68	662

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three and six months, depending on the immediate cash requirement of the Group and the Company, and earn interests at the respective short-term deposit rates. The fixed deposits have effective interest rates ranging from 0.10% to 0.30% (2014: 0.30% to 3.15%) per annum. Fixed deposits amounting to \$3,007,000 (2014: \$255,000) are pledged to secure banking facilities granted to certain subsidiaries.

Cash and short-term deposits denominated in foreign currencies at 31 March are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
United States Dollar	1,117	1,229	5	4
Malaysia Ringgit	25	59	–	–
Euro	2	2	–	–

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of balance sheet date:

	Group	
	2015	2014
	\$'000	\$'000
Cash at banks and on hand	1,527	2,754
Short-term deposits	3,178	255
	4,705	3,009
Pledged short-term deposits	(3,007)	(255)
Bank overdrafts (Note 24)	(1,587)	(682)
	111	2,072

20. Trade payables

These amounts are non-interest bearing and are normally settled on 60-day terms.

Trade payables denominated in foreign currencies at 31 March are as follows:

	Group	
	2015	2014
	\$'000	\$'000
United States Dollar	7,128	7,226
British Pound	43	30
Euro	269	208
Malaysia Ringgit	195	442

NOTES TO THE FINANCIAL STATEMENTS

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20. Trade payables (cont'd)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables	8,221	9,350	–	–
Other payables and accruals (Note 21)	2,092	1,259	659	436
Less:				
Deferred income (Note 21)	(343)	(282)	–	–
Total trade and other payables	9,970	10,327	659	436
Amounts due to subsidiaries	–	–	7,030	–
Hire purchase creditors				
- current (Note 23)	2	6	–	–
- non-current (Note 23)	4	6	–	–
Amounts due to a related company (non-current)	3,711	1,637	–	–
Loan from a related company	–	–	–	–
Loans and borrowings				
- current (Note 24)	27,999	27,191	–	–
- non-current (Note 24)	11,539	13,033	4,000	4,000
Total financial liabilities at amortised cost	53,225	52,200	11,689	4,436

21. Other payables and accruals

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Accruals	1,149	627	423	291
Deferred income	343	282	–	–
Sundry payables	600	350	236	145
	2,092	1,259	659	436

Sundry payables are unsecured, non-interest bearing and repayable on demand.

22. Excess of progress billing over construction in progress

	Group	
	2015 \$'000	2014 \$'000
Aggregate amount of costs incurred and recognised profits to date	2,057	25,395
Less: Progress billings	(544)	(30,082)
	1,513	(4,687)
Presented as:		
Gross amount due to customers for contract work	–	4,687
Gross amount due from customers for contract work	1,513	–

The above relates to Teluk Intan Biomass Project in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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23. Hire purchase creditors

The Group has finance leases for office equipment and motor vehicle and these expire over various dates till 2017.

Future lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	Minimum payments 2015 \$'000	Present value of payments 2015 \$'000	Minimum payments 2014 \$'000	Present value of payments 2014 \$'000
Within 1 year	3	2	7	6
After 1 year but not more than 5 years	4	4	7	6
Total minimum lease payments	7	6	14	12
Less: Amounts representing finance charges	(1)	–	(2)	–
Present value of minimum payments	6	6	12	12

24. Loans and borrowings

		Group	
	Maturity	2015 \$'000	2014 \$'000
Current:			
Bank overdrafts (Note 19)	On demand	1,587	682
Term loans from banks	FY2015	19,163	15,202
Trust receipts	FY2015	7,249	11,307
		27,999	27,191
Non-current:			
Term loans from bank	FY2016 to FY2017	7,539	9,033
Non-convertible bonds			
- Guaranteed bonds	FY2017	1,000	1,000
- Non-guaranteed bonds	FY2017	3,000	3,000
		11,539	13,033
Total loans and borrowings		39,538	40,224

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 9). The average discount rate implicit in the leases is 7.17% p.a. (2014: 7.17% p.a.).

Bank overdrafts

Bank overdrafts are unsecured, bear interest at 5.25% to 5.75% (2014: 5.00% to 8.25%) per annum and repayable on demand.

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24. Loans and borrowings (cont'd)

Term loans from banks

Term loans from banks bear interest ranging from 2.7% to 13.50% (2014: 2.92% to 8.00%) per annum and are secured by:

- (a) First fixed charge over certain equipment (Note 9); and
- (b) Corporate guarantee provided by the Company and certain subsidiaries.

Trust receipts

The trust receipts bears interest ranging from 2.00% to 10.25% (2014: 1.88% to 13.50%) per annum and are secured by fixed deposits amounting to \$3,007,000 (2014: \$255,000) (Note 19).

Guaranteed bonds

Guaranteed bonds are non-convertible with the following principal terms:

- (a) Secured by a director;
- (b) Bear interest at 10% per annum, which is payable semi-annually in arrears;
- (c) Matures on 18 March 2017 with a redemption premium of 3%; and
- (d) The Company is entitled to the early redemption of the guaranteed bonds, in whole or in part, at 101.0% and 102.0% of its principal amount, on the first and second anniversary of the date of issue of the guaranteed bonds respectively.

Non-guaranteed bonds

Non-guaranteed bonds are non-convertible with the following principal terms:

- (a) Bear interest at 10% per annum, which is payable semi-annually in arrears;
- (b) Matures on 18 March 2017 with a redemption premium of 3%; and
- (c) The Company is entitled to the early redemption of the non-guaranteed bonds, in whole or in part, at 101.0% and 102.0% of its principal amount, on the first and second anniversary of the date of issue of the non-guaranteed bonds respectively.

25. Amount due to a related company

Amount due to a related company is non-trade in nature, unsecured, interest-free and not repayable within 12 months from the date of issue of these financial statements.

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26. Deferred tax liabilities

Deferred tax as at 31 March relates to the following:

	Group	
	2015	2014
	\$'000	\$'000
Deferred tax liabilities		
Differences in depreciation for tax purposes	47	47

Unrecognised temporary differences relating to investments in subsidiaries and associates

As at 31 March 2015, there are no unrecognised temporary differences relating to investments in subsidiaries as the Group has determined that the portion of the undistributed earnings of its subsidiaries that will be distributed in the foreseeable future to be insignificant.

27. Share capital

	Group and Company			
	2015		2014	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Issued and fully paid ordinary shares				
At 1 April	987,501	40,862	346,033	24,077
Issuance of Rights Shares	–	–	346,033	12,111
Issuance of ordinary shares from conversion of warrants	216,286	3,785	284,916	4,986
Issuance of ordinary shares for consultancy agreement	–	(2)	10,519	630
Share issuance expense	–	–	–	(942)
At 31 March	1,203,787	44,645	987,501	40,862

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

As at 31 March, the Company has the following outstanding warrants:

	Expiry date	Exercise price	No. of warrants	
			2015	2014
Warrants	25 September 2015	\$0.0175	206,863,182	423,149,776

Rights cum warrants issue

On 25 September 2013, the Company issued and allotted 346,032,791 Rights Shares at an issue price of S\$0.035 for each Right Share and 692,065,582 free detachable warrants, each warrant carrying the right to subscribe for one(1) new ordinary share in the capital of the Company at an exercise price of S\$0.0175. The warrants may be exercised at any time during the period commencing on and including the date of issue of the warrants and immediately preceding the second anniversary of the date of issue of the warrants.

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27. Share capital (cont'd)

Consultancy fee shares and warrants

On 25 September 2013, the Company issued and allotted 10,519,000 Consultancy Fee Shares and 16,000,000 warrants to Tanamerah Capital Limited ("TCL") as payment for a consultancy fee of S\$600,000 for services provided by TCL in relation to, amongst others, the Company's funding needs.

The Asiatic Performance Share Plan 2013 (the "Plan")

On 15 August 2013, the shareholders approved the Asiatic Performance Share Plan (the "Plan") at the Extraordinary General Meeting. Participation in the Plan will not restrict eligible Group employees from the existing Asiatic Share Option Scheme.

The Plan shall continue in force for a maximum period of 10 years commencing from 15 August 2013, provided always that the Plan may continue beyond the stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The information regarding the Plan is as follows:

- (a) All Group employees are eligible participants of the Plan to receive Awards, which represent the right to receive fully paid shares of the Company free of charge
- (b) The number of shares which may be vested is limited to the following:
 - (i) The aggregate number of shares over which Awards may be granted, when added to the number of shares issued and issuable in respect of all Awards granted under the Plan shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the Award
 - (ii) The aggregate number of Shares that are available to the Controlling Shareholders (defined generally as a person who holds directly or indirectly a shareholding of 15% or more of the Company's total number of issued shares) and their Associates shall not exceed 25% of the total number of shares available under the Plan
 - (iii) The number of shares that are available to each Controlling Shareholder or his Associate under the Plan shall not exceed 10% of the shares available under the Plan
- (c) The terms of the Award, including performance targets, performance period, number of shares to be vested and the date by which the Award shall be vested will be determined by the Remuneration Committee for each eligible participant
- (d) Awards will be vested by way of issue of new shares or the transfer of existing shares held as treasury shares

From the date of approval of the Plan up to the financial year end, the Company has not granted any Awards to the employees.

The Asiatic Share Option Scheme 2008 (the "Scheme")

On 25 July 2008, the shareholders approved the Asiatic Share Option Scheme 2008 (the "Scheme") at the Extraordinary General Meeting.

The Scheme shall continue in force for a maximum period of 10 years commencing from 25 July 2008, provided always that the Scheme may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The information regarding the Scheme is as follows:

- (a) The aggregate number of shares over which options may be granted, when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the option.

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27. Share capital (cont'd)

The Asiatic Share Option Scheme 2008 (the "Scheme") (cont'd)

- (b) The Scheme has two categories of options, being the Market Price Option and the Incentive Option.
- (i) Under the Market Price Option, the exercise price is the average of the last dealt prices for a share as determined by reference to the daily official list published by the SGX-ST for the five (05) consecutive market days immediately preceding the date of grant, rounded up to the nearest whole cent (the "Market Price").
- (ii) Under the Incentive Option, Committee has the discretion to issue option with an exercise price and set a discount not exceeding 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted by the SGX-ST).
- (c) The eligible grantee must accept the offer of the option within a period of not less than 15 days and not more than 30 days from the date of such offer else the offer will lapse. Upon the acceptance of the offer, the grantee shall pay to the Company the sum of S\$1.00.
- (d) A Market Price Option may be exercised during the period commencing after the 12 months period from the offer date and expiring on the tenth anniversary of such offer date. An Incentive Option can be exercised during the period after the 24 months period from the offer date and expiring on the tenth anniversary of such offer date. Option granted to the non-executive directors will expire on the fifth anniversary of such offer date.

From the date of approval of the Scheme up to the financial year end, the Company has not granted any share options to the employees.

28. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2015	2014
	\$'000	\$'000
At 1 April	(3,613)	(4,904)
Net effect of exchange differences arising from translation of financial statements of foreign operations	1,493	1,291
At 31 March	(2,120)	(3,613)

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29. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2015	2014
	\$'000	\$'000
Purchase of corporate secretarial support services from a firm related to a director	21	24
Office rental paid to a company related to a director of subsidiaries	–	26
Utilities paid to a company related to a director of subsidiaries	–	2
Progress billing of construction works from an associated company	–	(10,521)

(b) Directors' and executive officers' remuneration *

	Group	
	2015	2014
	\$'000	\$'000
Directors' remuneration	1,095	1,012
Executive officers' remuneration	944	1,087

* Included in the above remuneration for the Group is payment for defined contribution plans of \$71,000 (2014: \$73,000).

30. Directors' remuneration

The number of directors of the Company whose total remuneration from the Group falls into the following bands is as follows:

	Group	
	2015	2014
	Number of directors	Number of directors
\$250,000 - \$499,999	3	3
Below \$250,000	3	3
Total	6	6

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31. Commitments and contingencies

Operating lease commitments – as lessee

The Group has entered into leases for property that is non-cancellable.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2015 amounted to \$121,000 (2014: \$124,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015 \$'000	2014 \$'000
Not later than one year	206	111
Later than one year but not later than five years	591	428
Later than five years	1,531	1,091
	<u>2,328</u>	<u>1,630</u>

Contingent liabilities

The Company has provided corporate guarantees to banks amounting to US\$10.9 million (2014: US\$11.8 million), S\$40.7 million (2014: S\$35.2 million) and RM195.5 million (2014: RM195.5 million) to secure banking facilities granted to its subsidiaries.

32. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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32. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets.
- A nominal amount of US\$10.9 million (2014: US\$11.8 million) S\$40.7 million (2014: S\$35.2 million) and RM195.5 million (2014: RM195.5 million) relating to a corporate guarantee provided by the Company to financial institutions on the subsidiaries' bank loans.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	2015		2014	
	\$'000	% of total	\$'000	% of total
By country:				
Singapore	4,414	73	4,222	57
Cambodia	1,612	27	3,176	43
	<u>6,026</u>	<u>100</u>	<u>7,398</u>	<u>100</u>
By industry sectors:				
Fire fighting and protection	4,414	73	4,222	57
Power related	1,612	27	3,176	43
	<u>6,026</u>	<u>100</u>	<u>7,398</u>	<u>100</u>

As at balance sheet date, approximately 10% (2014: 34%) of the Group's trade receivables were due from 2 major customers who are located in Cambodia.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

32. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by Board of Directors. These policies, controls and limits ensure that the Group monitors and manages liquidity risk in a manner that ensures sufficient sources of funds are available over a range of market conditions.

As at 31 March 2015, the Group is in net current liabilities position of \$12.32 million (2014: \$12.02 million).

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
Group			
2015			
Financial assets:			
Other investments	–	9,048	9,048
Trade and other receivables	6,668	–	6,668
Amounts due from associates	8,631	–	8,631
Cash and short-term deposits	4,705	–	4,705
Total undiscounted financial assets	20,004	9,048	29,052
Financial liabilities:			
Trade and other payables	9,970	–	9,970
Loans and borrowings	29,678	14,175	43,853
Hire purchase creditors	3	4	7
Amount due to a related company	–	3,711	3,711
Total undiscounted financial liabilities	39,651	17,890	57,541
Total net undiscounted financial liabilities	(19,647)	(8,842)	(28,489)

NOTES TO THE FINANCIAL STATEMENTS

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32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
Group			
2014			
Financial assets:			
Other investments	–	5,954	5,954
Trade and other receivables	15,408	–	15,408
Amounts due from associates	7,321	–	7,321
Cash and short-term deposits	3,009	–	3,009
Total undiscounted financial assets	25,738	5,954	31,692
Financial liabilities:			
Trade and other payables	10,327	–	10,327
Loans and borrowings	28,823	15,593	44,416
Hire purchase creditors	7	7	14
Amount due to a related company	–	1,637	1,637
Total undiscounted financial liabilities	39,157	17,237	56,394
Total net undiscounted financial liabilities	(13,419)	(11,283)	(24,702)
Company			
2015			
Financial assets:			
Amounts due from subsidiaries	25,428	–	25,428
Cash at banks and on hand	68	–	68
Total undiscounted financial assets	25,496	–	25,496
Financial liabilities:			
Other payables	659	–	659
Amount due to subsidiary	7,030	–	7,030
Total undiscounted financial liabilities	7,689	–	7,689
Total net undiscounted financial assets/ (liabilities)	17,807	–	17,807
Company			
2014			
Financial assets:			
Amounts due from subsidiaries	14,583	–	14,583
Cash at banks and on hand	662	–	662
Total undiscounted financial assets	15,245	–	15,245
Financial liabilities:			
Other payables	436	–	436
Loans and borrowings	–	5,320	5,320
Total undiscounted financial liabilities	436	5,320	5,756
Total net undiscounted financial assets/ (liabilities)	14,809	(5,320)	9,489

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below shows the contracted expiry by maturity of the Group and Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	One year or less and total	
	2015	2014
	\$'000	\$'000
Group		
Financial guarantees	72,560	75,424
Company		
Financial guarantees	128,226	125,498

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and fixed deposits. The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 75 (2014: 75) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$227,000 (2014: \$255,238) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing loans, lower/higher interest expense on bank overdraft, higher/lower interest income from fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher vitality as in prior years.

(d) Foreign currency risk

The Group has transactional currency exposure arising from purchases that are denominated in a currency other than the functional currency of the group of companies.

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances (mainly in USD) amount to \$1,117,000 (2014: \$1,229,000) for the Group. The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Cambodia, Vietnam and Malaysia.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates (against SGD), with all other variables held constant.

	Group	
	Profit before tax	
	2015	2014
	\$'000	\$'000
USD		
strengthened by 5% (2014: 5%)	+143	+55
weakened by 5% (2014: 5%)	-143	-55

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

33. Fair value of assets and liabilities

- (a) **Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

Cash and cash equivalents, trade and other receivables, other investments, amounts due from/to subsidiaries, amount due from associates, trade and other payables and accruals, and loans and borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

- (b) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

Amount due to a related company

Amount due to a related company has no fixed terms of repayment and are repayable only when the cash flow of the entity permits. Accordingly, the fair value of the amount is not determinable as the timing of the future cash flow arising from the balance cannot be estimated reliably.

- (c) **Financial instruments carried at other than fair value**

Hire purchase creditors

As the carrying value of hire purchase creditors is not material, management has not disclosed the fair value (Note 23).

34. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 75%. The Group includes within net debt, loans and borrowings and hire purchase creditors. Capital includes equity attributable to the owners of the Company and non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

34. Capital management (cont'd)

	Group	
	2015	2014
	\$'000	\$'000
Loans and borrowings (Note 24)	39,537	40,224
Trade and other payables (Note 20)	10,313	10,609
Hire purchase creditors (Note 23)	6	12
Amount due to a related company	3,711	1,637
Less: Cash and short-term deposits	(4,705)	(3,009)
Net debt	48,862	49,473
Equity attributable to the owners of the Company	61,054	55,675
Capital and net debt	109,916	105,148
Gearing ratio	44.6%	47.1%

35. Segment information

(a) Business segment

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

(i) Fire fighting and protection

Supply, installation and maintenance of fire fighting and protection equipment

(ii) Power related

Power generation and distribution of controlled power supply and equipment

	Fire-fighting		Power-related		Adjustments and eliminations		Note	Per consolidated financial statements	
	2015	2014	2015	2014	2015	2014		2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue	16,385	15,826	22,987	44,312	–	–		39,372	60,138
Results:									
Other income	221	132	187	137	(22)	(22)	A	386	247
Interest income	–	–	3	26	–	–		3	26
Allowance for doubtful debt, net	(57)	(48)	–	–	–	–		(57)	(48)
Depreciation of property, plant and equipment	(276)	(221)	(3,432)	(3,186)	–	–		(3,708)	(3,407)
Segment profit	522	256	2,191	1,172	(2,069)	(1,384)	B	644	44
Assets:									
Investment in associates	–	–	4,880	3,172	–	–		4,880	3,172
Additions to non-current assets	237	307	–	17,193	–	–		237	17,500
Segment assets	24,703	38,513	172,829	99,683	(82,290)	(24,872)	C	115,242	113,324
Segment liabilities	13,217	17,227	84,661	64,960	(43,690)	(24,538)	D	54,188	57,649

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

35. Segment information (cont'd)

(a) Business segment (cont'd)

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at "profit after tax" in the consolidated income statement:

	2015 \$'000	2014 \$'000
Share of results of associates	(1,095)	(179)
Finance costs	(974)	(1,205)
	<u>(2,069)</u>	<u>(1,384)</u>

C The following items added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2015 \$'000	2014 \$'000
Inter-segment assets	(82,459)	(25,036)
Elimination of inter-segment gain on disposal of property, plant and equipment	(6)	(11)
Goodwill	175	175
	<u>(82,290)</u>	<u>(24,872)</u>

D The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2015 \$'000	2014 \$'000
Inter-segment liabilities	(44,310)	(25,036)
Translation	–	18
Deferred tax liabilities	47	47
Income tax payable	573	433
	<u>(43,690)</u>	<u>(24,538)</u>

(b) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Singapore \$'000	Cambodia \$'000	Other countries \$'000	Group \$'000
2015				
Revenues	14,998	18,857	5,517	39,372
Non-current assets	<u>7,302</u>	<u>62,770</u>	<u>18,604</u>	<u>88,676</u>
2014				
Revenues	13,807	18,538	27,793	60,138
Non-current assets	<u>7,352</u>	<u>60,874</u>	<u>14,188</u>	<u>82,414</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

35. Segment information (cont'd)

(b) Geographical information (cont'd)

Non-current assets information presented above consist of property, plant and equipment, investment in associates, goodwill and other investments.

Information about major customers

Revenue from one major customer amount to \$9,859,000 (2014: \$11,731,000), arising from sales by the power related segment.

36. Dividends

	Group and Company	
	2015	2014
	\$'000	\$'000
Proposed but not recognised as a liability as at 31 March		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2015: 0.04 cents (2014: 0.05) per share	481	494

37. Authorisation of financial statements

The financial statements for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 7 July 2015.

SHAREHOLDERS' INFORMATION

AS AT 30 JUNE 2015

Issued and fully Paid-up Capital	:	S\$46,432,719.89
Number of Ordinary Shares in Issue (excluding treasury shares)	:	1,210,076,982
Number of Treasury Shares held	:	Nil
Class of Shares	:	Ordinary
Voting Rights (on a poll)	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	76	5.62	2,249	0.00
100 - 1,000	106	7.84	87,825	0.01
1,001 - 10,000	194	14.35	1,028,155	0.08
10,001 - 1,000,000	889	65.75	140,327,515	11.60
1,000,001 AND ABOVE	87	6.44	1,068,631,238	88.31
TOTAL	1,352	100.00	1,210,076,982	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 30 June 2015)⁽¹⁾

	Name of Substantial Shareholders	Direct	%	Deemed	%
1.	Tan Boon Kheng ⁽²⁾	106,656,004	8.81	—	—
2.	Tan Boon Siang ⁽²⁾	62,872,000	5.20	—	—
3.	Lim Boon Hock, Bernard	120,000,000	9.92	—	—
4.	Lim Chye Huat @ Bobby Lim Chye Huat	160,000,000	13.22	—	—
5.	Brian Chang Holdings (S) Pte Ltd	176,435,544	14.58	—	—
6.	Brian Chang ⁽³⁾	—	—	176,435,544	14.58
7.	Tracy Chang ⁽³⁾	—	—	176,435,544	14.58

Notes:

(1) Based on the total issued share capital of 1,210,076,982 ordinary shares of the Company as at 30 June 2015.

(2) The relationship among the above directors who are also substantial shareholders are as follow:

- Tan Boon Kheng and Tan Boon Siang are siblings.

(3) By virtue of interest in Brian Chang Holdings (S) Pte Ltd

SHAREHOLDERS' INFORMATION

AS AT 30 JUNE 2015

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BRIAN CHANG HOLDINGS (S) PTE LTD	176,435,544	14.58
2	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	160,000,000	13.22
3	LIM BOON HOCK BERNARD	120,000,000	9.92
4	TAN BOON KHENG	106,656,004	8.81
5	TAN BOON SIANG	62,872,000	5.20
6	TAN BOON YEW	60,336,000	4.99
7	TAN AH KAN @ TAN KOW LA	49,300,000	4.07
8	TAN AH SOI	32,435,996	2.68
9	STEPHEN YEO MAH AI	25,807,900	2.13
10	PHILLIP SECURITIES PTE LTD	22,651,574	1.87
11	TNG BENG CHOON	19,650,000	1.62
12	LOW CHIN YEE	15,181,000	1.25
13	HONG LEONG FINANCE NOMINEES PTE LTD	12,300,000	1.02
14	LIM & TAN SECURITIES PTE LTD	10,066,000	0.83
15	TAN BOON SAI (CHEN WENSAI)	7,999,000	0.66
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,662,100	0.63
17	OCBC SECURITIES PRIVATE LIMITED	7,351,010	0.61
18	CHONG TSU YAT	7,031,000	0.58
19	GAN HUAT SENG @ GAN GUAT SENG	6,853,500	0.57
20	TAN KAY TOH OR YU HEA RYEONG	6,816,000	0.56
	TOTAL	917,404,628	75.80

PUBLIC FLOAT

Based on the information available to the Company as at 30 June 2015, approximately 36.50% of the issued ordinary shares of the Company are held by the public. Accordingly the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited.

WARRANTHOLDERS' INFORMATION

AS AT 30 JUNE 2015

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	9	1.70	498	0.00
100 - 1,000	39	7.39	22,774	0.01
1,001 - 10,000	133	25.19	521,414	0.26
10,001 - 1,000,000	308	58.33	46,159,948	23.01
1,000,001 AND ABOVE	39	7.39	153,868,548	76.72
TOTAL	528	100.00	200,573,182	100.00

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	STEPHEN YEO MAH AI	37,082,300	18.49
2	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	26,000,000	12.96
3	LIM BOON HOCK BERNARD	10,000,000	4.99
4	TAN BOON SAI (CHEN WENSAI)	6,800,000	3.39
5	OCBC SECURITIES PRIVATE LIMITED	5,226,050	2.61
6	SAMUEL NG CHEE YONG (SAMUEL WU ZHIYONG)	4,410,390	2.20
7	TOH TIEW KEONG	3,807,500	1.90
8	TNG BENG CHOON	3,500,000	1.74
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,375,820	1.68
10	LIM SENG KUAN	3,375,000	1.68
11	LEOW BAN LEONG	3,022,000	1.51
12	TAN GEK HONG	3,006,000	1.50
13	TAN KAY TOH OR YU HEA RYEONG	2,700,000	1.35
14	YU YAN KIT ALEX	2,564,000	1.28
15	LEE CHEE WEE	2,400,000	1.20
16	TAN CHIN WAH	2,018,000	1.01
17	DARRYL LEONG MINN-RAE (LIANG MINGRUI)	2,000,000	1.00
18	TEO CHONG HOCK	2,000,000	1.00
19	SEE BEE HOON @ AMY SZE	1,992,000	0.99
20	TAN ENG CHUA EDWIN	1,839,000	0.92
	TOTAL	127,118,060	63.40

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ASIATIC GROUP (HOLDINGS) LIMITED (the “Company”) will be held at REPUBLIC OF SINGAPORE YACHT CLUB, 52 West Coast Ferry Road, Singapore 126887 on Thursday, 30 July 2015 at 10.00 am, for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited accounts for the financial year ended 31 March 2015 and the reports of the Directors and Auditors thereon. **[Resolution 1]**
2. To declare a first and final dividend of 0.04 Singapore cent per ordinary share tax exempt (one-tier) for the financial year ended 31 March 2015 (FY2014: 0.05 Singapore cent). **[Resolution 2]**
3. To re-elect the following Directors of the Company retiring pursuant to the Articles of Association of the Company:
 - i) Mr Tan Boon Yew (Retiring under Article 103) **[Resolution 3]**
 - ii) Mr Seah Hai Yang (Retiring under Article 103) **[Resolution 4]**

Mr Tan Boon Yew, if re-elected, will remain as an Executive Director.

Mr Seah Hai Yang, if re-elected, will remain as the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. He will be considered independent pursuant to Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

The profile of the above mentioned directors can be found under the section entitled “Board of Directors” in the Annual Report.

4. To approve Directors’ fees of S\$85,000 for the financial year ended 31 March 2015 for payment. (FY2014: S\$70,000) **[Resolution 5]**
5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to allot and issue shares and/or convertible securities

That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, and subject to Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”), authority be and is hereby given to the Directors of the Company to issue:

- (a) shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise;
- (b) convertible securities;
- (c) additional convertibles securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalization issues; and
- (d) shares arising from the conversion of convertible securities in (b) and (c) above,

at any time during the continuance of this authority or thereafter and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than fifty percent (50%) of the total number of issued shares (excluding treasury shares) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (iii) for the purpose of determining the aggregate number of shares that may be issued under sub-para (i) and (ii) above, the percentage of the total number of issued shares (excluding treasury shares) is based on the total number of issued shares (excluding treasury shares) at the date this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options issue as at the date this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and
- (iv) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note 1]

[Resolution 7]

7. Authority to offer and grant options and to issue shares pursuant to the Asiatic Share Option Scheme 2008

That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Asiatic Share Option Scheme 2008 (the "**Scheme**") and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Scheme, provided always that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company on the date preceding the grant of an option.
[See Explanatory Note 2]

[Resolution 8]

8. Authority to allot and issue shares under the Asiatic Performance Share Plan

That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Asiatic Performance Share Plan and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Asiatic Performance Share Plan, provided always that the aggregate number of shares issued and issuable pursuant to vesting of awards granted under the Asiatic Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued and issuable in respect of all options or awards granted under any other share incentive scheme or share plan adopted by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company on the day preceding the date on which the award shall be granted.
[See Explanatory Note 3]

[Resolution 9]

9. Renewal of the Share Buyback Mandate

That for the purposes of the Companies Act, Cap. 50 of Singapore, and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in paragraph 4.4 of the Letter to Shareholders in relation to Renewal of Share Buyback Mandate dated 14 July 2015 (the "**Letter**"), in accordance with the terms of the Share Buyback Mandate set out in the Letter, and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 4]

[Resolution 10]

NOTICE OF ANNUAL GENERAL MEETING

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Tan Sian Leong
Leong Chee Meng, Kenneth
Company Secretaries
Singapore, 14 July 2015

Explanatory Notes on Special Business:

1. Resolution 7, if passed, will authorise and empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and/or convertible securities in the Company up to an amount not exceeding in aggregate one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

For the purpose of this Resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 8, if passed, will empower the Directors to issue shares up to an amount in aggregate not exceeding fifteen per centum (15%) of the issued share capital (excluding treasury shares) of the Company on the date preceding the date of the relevant grant pursuant to the Asiatic Share Option Scheme which was approved at the Extraordinary General Meeting of the Company on 25 July 2008.
3. Resolution 9, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Asiatic Performance Share Plan in accordance with the provisions of the Asiatic Performance Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Asiatic Performance Share Plan subject to the maximum number of shares prescribed under the terms and conditions of the Asiatic Performance Share Plan.

The aggregate number of ordinary shares which may be allotted and issued pursuant to the Asiatic Performance Share Plan and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company on the day preceding the date on which the award shall be granted.

4. Resolution 10, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in paragraph 4.4 of the Letter.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2015 are set out in greater detail in the Letter.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A Member entitled to attend and vote at the Annual General Meeting (the **"Meeting"**) may appoint not more than two proxies to attend and vote in his/her stead. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a Member of the Company.
- (b) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (c) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 65 Joo Koon Circle, Singapore 629078 not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**);
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ASIATIC GROUP (HOLDINGS) LIMITED

Company Registration No. 200209290R
(Incorporated In The Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy Asiatic Group (Holdings) Limited's shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting (the "Meeting") as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, _____ (name)

of _____ (address)

being a *member/members of Asiatic Group (Holdings) Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at REPUBLIC OF SINGAPORE YACHT CLUB, 52 West Coast Ferry Road, Singapore 126887, on 30 July 2015 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Adoption of Directors' Report and Audited Financial Statements for the financial year ended 31 March 2015		
2	Approval of the First and Final Dividend for the financial year ended 31 March 2015		
3	Re-election of Mr Tan Boon Yew as a Director		
4	Re-election of Mr Seah Hai Yang as a Director		
5	Approval of Directors' fees of S\$85,000 for the financial year ended 31 March 2015		
6	Re-appointment of Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration		
7	Authority to allot and issue new shares and/or convertible securities		
8	Authority to offer and grant options and to issue shares pursuant to the Asiatic Share Option Scheme 2008		
9	Authority to allot and issue shares under the Asiatic Performance Share Plan		
10	The proposed renewal of the Share Buyback Mandate		

Dated this _____ day of _____ 2015

Total number of shares

Signature of Member(s) or, Common Seal of Corporate Member

*Delete where inapplicable



Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 65 Joo Koon Circle, Singapore 629078 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which this instrument appointing a proxy shall be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 July 2015.

Affix
postage
stamp here

ASIATIC GROUP (HOLDINGS) LIMITED
65 JOO KOON CIRCLE
SINGAPORE 629078



Asiatic Group

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