

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1,Q2 & Q3),
HALF YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Six Months ended		Increase / (Decrease)
	30 Sep 2020 ("1H2021") S\$'000	30 Sep 2019 ("1H2020") S\$'000	%
Revenue			
Sale of goods	5,771	6,946	(16.92)
Sale of services	15,130	15,402	(1.77)
Total revenue	<u>20,901</u>	<u>22,348</u>	(6.47)
Other income	970	96	N.M.
Costs and expenses			
Cost of sales	(14,162)	(15,458)	(8.38)
Staff costs	(3,017)	(2,882)	4.68
Depreciation of property, plant and equipment	(1,258)	(1,299)	(3.16)
Depreciation of right-of-use assets	(174)	(99)	75.76
Foreign exchange gain/(loss)	(461)	27	N.M.
Impairment of financial assets	(1,298)	-	N.M.
Other operating expenses	(1,601)	(1,409)	13.63
	<u>(21,971)</u>	<u>(21,120)</u>	4.03
(Loss)/profit from operations	(100)	1,324	N.M.
Finance costs	(314)	(349)	(10.03)
(Loss)/profit before taxation	<u>(414)</u>	<u>975</u>	N.M.
Income tax expense	(117)	(124)	(5.65)
(Loss)/profit after taxation	<u>(531)</u>	<u>851</u>	N.M.
Profit attributable to:			
Equity holders of the parent	(833)	500	N.M.
Non-controlling interest	302	351	(13.96)
	<u>(531)</u>	<u>851</u>	N.M.

N.M. : Not meaningful

Consolidated Statement of Comprehensive Income

	Group		
	1H2021 S\$'000	1H2020 S\$'000	
(Loss)/profit after taxation	(531)	851	N.M.
Other comprehensive income:			
Foreign currency translation on foreign operations	(784)	793	N.M.
Total comprehensive income for the period	<u>(1,315)</u>	<u>1,644</u>	N.M.
Total comprehensive income attributable to:			
Equity holders of the parent	(1,636)	1,182	N.M.
Non-controlling interest	321	462	(30.52)
	<u>(1,315)</u>	<u>1,644</u>	N.M.

1(a) (ii) Additional information for the income statement

Profit for the period is arrived at after charging the following:

	Group		Increase/ (Decrease)
	1H2021 S\$'000	1H2020 S\$'000	%
Interest expenses	(314)	(349)	(10.03)
Depreciation of property, plant and equipment	(1,258)	(1,299)	(3.16)
Amortisation of right-of use assets	(174)	(99)	100.00

1(b) (i) A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 Sep 2020 S\$'000	31 Mar 2020 S\$'000	30 Sep 2020 S\$'000	31 Mar 2020 S\$'000
Non-current assets				
Property, plant and equipment	55,943	58,973	-	-
Right-of-use assets	2,145	2,107	-	-
Investments in subsidiaries	-	-	31,851	32,472
Goodwill	175	175	-	-
Other investments	161	161	-	-
	<u>58,424</u>	<u>61,416</u>	<u>31,851</u>	<u>32,472</u>
Current assets				
Assets held for sale	- *	- *	-	-
Inventories	4,054	4,137	-	-
Trade receivables	6,880	9,061	-	-
Other receivables	1,631	1,246	-	-
Prepayments	333	876	27	26
Cash and short-term deposits	2,689	1,838	24	29
	<u>15,587</u>	<u>17,158</u>	<u>51</u>	<u>55</u>
Current liabilities				
Trade payables	8,098	10,081	161	-
Other payables and accruals	3,872	4,237	294	514
Amounts due to subsidiaries	-	-	9,186	9,238
Loan and borrowings	16,441	21,798	48	780
Lease and hire purchase liabilities	288	268	-	-
Provision for taxation	1,308	1,308	-	-
	<u>30,007</u>	<u>37,692</u>	<u>9,689</u>	<u>10,532</u>
Net current liabilities	(14,420)	(20,534)	(9,638)	(10,477)
Non-current liabilities				
Lease and hire purchase liabilities	(1,808)	(1,814)	-	-
Amount due to non-controlling interests	(2,350)	(2,872)	-	-
Loan and borrowings	(4,965)	-	-	-
Deferred tax liabilities	(120)	(120)	-	-
	<u>(9,243)</u>	<u>(4,806)</u>	<u>-</u>	<u>-</u>
Net assets	<u>34,761</u>	<u>36,076</u>	<u>22,213</u>	<u>21,995</u>
Share capital	50,585	50,585	50,585	50,585
Translation reserve	(643)	160	-	-
Revenue reserve	(22,675)	(21,842)	(28,372)	(28,590)
Shareholders' equity	<u>27,267</u>	<u>28,903</u>	<u>22,213</u>	<u>21,995</u>
Non-controlling interests	7,494	7,173	-	-
	<u>34,761</u>	<u>36,076</u>	<u>22,213</u>	<u>21,995</u>

* Amount is less than \$1,000.

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

30 September 2020		31 March 2020	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
14,870	1,859	15,287	6,779

Amount repayable after one year

30 September 2020		31 March 2020	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,808	4,965	1,814	-

Details of any collateral

Fixed assets purchased under hire-purchase contracts with a carrying amount of S\$354,000 (31 March 2020: S\$413,000).

The Group's power plant with carrying amount of S\$47,575,000 (31 March 2020: S\$50,236,000) is subject to a first charge to secure the bank loans and borrowings.

The Group's factory building with a carrying value of S\$3,169,000 (31 March 2020: S\$3,217,000) is subject to a first charge to secure the bank loans and borrowings.

The Group's fixed deposits amounting to S\$689,000 as at 30 September 2020 (31 March 2020: S\$717,000) are pledged to secure banking facilities which were granted to certain subsidiaries.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Cash Flow Statements

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/profit before taxation	(414)	975
Adjustments for:		
Depreciation of property, plant and equipment	1,258	1,299
Depreciation of right-of-use assets	174	99
Impairment on net investment in associate	1,298	-
Interest expense	314	349
(Write back of)/impairment of financial assets	(16)	-
(Write back of)/provision for stock obsolescence	(9)	-
Currency alignment	1,294	(312)
Operating cash flows before changes in working capital	3,899	2,410
Decrease/(increase) in inventories	92	(725)
Increase in amount due from associates	(1,298)	(1,233)
Decrease in trade and other receivables	2,355	1,026
Decrease in trade and other payables	(2,347)	(209)
Cash generated from operations	2,701	1,269
Interest paid	(314)	(326)
Income tax paid	(116)	(433)
Net cash generated from operating activities	2,271	510
Cash flows from investing activities		
Purchase of property, plant and equipment	(287)	(55)
Purchase of right-of-use assets	(42)	-
Proceeds from sale of property, plant and equipment	9	-
Net cash used in investing activities	(320)	(55)
Cash flows from financing activities		
Repayment of shareholder loan	(780)	-
(Repayment of)/proceeds from trust receipts and short-term borrowings	(3,146)	192
Proceeds from/(repayment of) interest bearing term loans	4,965	(414)
Increase in pledged fixed deposits	-	(13)
Repayment of principal portion of lease and hire purchase liabilities	(157)	(153)
Repayment of amount due to non-controlling interests	(522)	-
Net cash generated/used in financing activities	360	(388)
Net increase/ in cash and cash equivalents	2,310	67
Cash and cash equivalents at beginning of period	(2,256)	(2,846)
Cash and cash equivalents at end of period	54	(2,779)
Cash and cash equivalents consist of the following :		
Cash and short-term deposits	2,689	1,290
Less: Pledged deposits	(689)	(666)
Less: Bank overdraft	(1,946)	(3,403)
	54	(2,779)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Revenue Reserve	Translation Reserve	Total attributable to owner of the Company	Non- controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP						
Balance at 1 April 2020	50,585	(21,842)	160	28,903	7,173	36,076
Loss for the period	-	(833)	-	(833)	302	(531)
Other comprehensive income	-	-	(803)	(803)	19	(784)
Total comprehensive income for the period	-	(833)	(803)	(1,636)	321	(1,315)
Balance at 30 September 2020	<u>50,585</u>	<u>(22,675)</u>	<u>(643)</u>	<u>27,267</u>	<u>7,494</u>	<u>34,761</u>
Balance at 1 April 2019	50,585	(8,069)	(1,274)	41,242	6,655	47,897
Loss for the period	-	500	-	500	351	851
Other comprehensive income	-	-	682	682	111	793
Total comprehensive income for the period	-	500	682	1,182	462	1,644
Balance at 30 September 2019	<u>50,585</u>	<u>(7,569)</u>	<u>(592)</u>	<u>42,424</u>	<u>7,117</u>	<u>49,541</u>
COMPANY						
Balance at 1 April 2020	50,585	(28,590)	-	21,995	-	21,995
Total comprehensive income	-	218	-	218	-	218
Balance at 30 September 2020	<u>50,585</u>	<u>(28,372)</u>	<u>-</u>	<u>22,213</u>	<u>-</u>	<u>22,213</u>
COMPANY						
Balance at 1 April 2019	50,585	(9,470)	-	41,115	-	41,115
Total comprehensive income	-	107	-	107	-	107
Balance at 30 September 2019	<u>50,585</u>	<u>(9,363)</u>	<u>-</u>	<u>41,222</u>	<u>-</u>	<u>41,222</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the issued share capital of the Company since the end of the last reported period.

There were no treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 2019.

The Company did not have any outstanding options or convertibles as at 30 September 2020 and 30 September 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the immediately preceding year.

	As at 30 September 2020 and 31 March 2020
Total number of issued shares	1,556,462,688
less: Treasury shares	NIL
Total number of issued shares excluding Treasury shares	1,556,462,688

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of 1H2021.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of 1H2021.

2. Whether the figures have been audited, or reviewed, and in accordance with which standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern) :-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

In the Group's latest audited financial statements for FY2020, Ernst & Young LLP, the Group's auditors, have issued a disclaimer opinion in relation to the use of the going concern assumption in the audited financial statements for FY2020 (the "Audit Issue").

Details relating to the Group's comments on the going concern assumption and the efforts taken to resolve the Audit Issue may be found in Section 8 of this announcement.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding Audit Issue on the financial statements in relation to FY2020 have been adequately disclosed.

4. Whether the same accounting policies and methods of computations as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited financial statements for the financial year ended 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group had consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared with the most recently audited annual financial statements for the financial year ended 31 March 2020, except for the adoption of certain new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to SFRS(I) ("SFRS(I) INT") which became mandatory from 1 April 2020. The adoption of these SFRS(I) and SFRS(I) INT has no significant impact to the financial position or performance of the Group and the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group (Singapore Cents)	
	1H2021	1H2020
(a) Based on weighted average number of ordinary shares in issue	(0.054)	0.032
(b) On a fully diluted basis	(0.054)	0.032

Note:

The earnings per ordinary share for 1H2021 is calculated based on the Group's loss attributable to equity holders of the parent of S\$833,000 (1H2020: S\$500,000) divided by the weighted average number of ordinary shares in issue of 1,556,462,688 in 1H2021 (1H2020: 1,556,462,688).

The basic and diluted earnings per ordinary share are the same for 1H2021 and 1H2020 because there were no potentially dilutive ordinary securities as at 30 September 2020 and 30 September 2019 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	30 Sep 2020	31 March 2020	30 Sep 2020	31 March 2020
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore Cents)	1.8	1.8	1.4	1.4

Note:

The net asset value per ordinary share as at 30 September 2020 is calculated based on 1,556,462,688 (31 March 2020: 1,556,462,688) ordinary shares in issue (excluding treasury shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.

The review must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Revenue

	1H2021		1H2020		Increase
	S\$'000	% of total revenue	S\$'000	% of total revenue	%
By business divisions					
- Fire-fighting and Protection	6,925	33.1%	8,041	36.0%	(13.88)
- Power related	13,976	66.9%	14,307	64.0%	(2.31)
Total	20,901	100.0%	22,348	100.0%	(6.47)

The Group's revenue for 1H2021 decreased by 6.47% from 1H2020. Decrease in revenue from the Power related segment resulted from lower revenue from the plants in Phnom Penh and Sihanoukville due to lower electricity demand as compared to the previous corresponding period. Covid-19 has impacted the fire-fighting and protection segment's revenue especially in the alarm and services divisions where the access to the premises (where services performed) are restricted as well as in the Marine sector where projects and services are stagnant.

Profitability

Cost of sales decreased mainly due to lower direct operating costs in the current period as well as the absence of refurbishment cost that was incurred on the engines at Phnom Penh and Sihanoukville in the previous corresponding period. Lower sales from the fire-fighting and protection business segment had also reduced the cost of sales incurred.

In view of the slower revenue of the services and marine sector, the fire-fighting and protection segment is exploring business expansion plans into the technical aspect of the marine industry and creating a manufacturing department for its fire-fighting products which has resulted in higher head counts and staff costs. Depreciation of property, plant and equipment remained flat as there were no major additions during the current period. Depreciation of right-of-use assets arising from the adoption of SFRS(I) 16 increased in the current period as there were additions from hire purchase of motor vehicles purchased and new lease of factory entered into in Singapore.

Impairment of financial assets was mainly due to impairment on advances to an associate to fund its maintenance and operations before the completion of the sale and purchase agreement to dispose the interest in Maju Intan Biomass Sdn Bhd ("MJE") and the Maju Intan Biomass power plant. Higher operating expenses were recorded mainly due to the accrual of late settlement charge from a supplier of a subsidiary on outstanding payables.

Finance cost decreased mainly due to lower cost of funds from loans and borrowings that are on floating interest rate.

Due to a combination of the above factors, the Group incurred a loss in 1H2021.

Balance Sheet

As at 30 September 2020, non-current assets decreased mainly due to depreciation of property, plant and equipment and translation loss on the non-current assets held in the Cambodian entities as a result of the depreciation of USD against SGD. Current assets had also decreased mainly due to a decrease in trade receivables from better collection and lower sales for the half year period ended 30 September 2020 as compared to 31 March 2020.

Similarly, current liabilities decreased as at 30 September 2020 mainly due to decrease in trade payables that correlated to the decrease in purchases from the lower sales and repayment and refinancing of short term loans through proceeds from new term loans obtained in the current period. The new loans received resulted in a corresponding increase in non-current liabilities as at 30 September 2020.

As at 30 September 2020, the Group's net current liabilities position improved following the refinancing of short term loans. The Group remains in a net current liabilities position arising from the utilisation of short-term financing amounting to S\$16.4 million on the Group's energy projects in Cambodia and Malaysia. In the current period, the Group has successfully rolled over approximately S\$11.2 million out of S\$13.4 million of short term loans. The remaining short-term financing relates to bank overdraft (S\$1.9 million) and trust receipts (S\$1.1 million). A substantial portion of the term loans has been secured by the Group's power plant assets and factory building and the Group was in a net asset position of S\$34.8 million as at 30 September 2020. Fulfillment of the conditions precedence and due diligence process of the sale and purchase agreement are currently still underway and the Group is working closely with Hualang Renewable Energy Sdn Bhd to assess the current Covid-19 situation in Malaysia and is working to achieve the targeted disposal date before 31 March 2021 so that the Group can be discharged from the corporate guarantees provided to financial institutions in support of MJE and no longer required to provide further funding to MJE.

Based on the foregoing, the Board is of the opinion that the Group is able to operate as a going concern and able to meet its obligations as these fall due and the Group's working capital is sufficient to meet its present requirements and for the next twelve months.

Cash Flow

During HY2021, net cash generated from operating activities were used to support increase in working capital and payment of interest and tax. Net cash flow used in investing activities was utilised to purchase property plant and equipment. The Group recorded a net cash inflow from its financing activities resulted from new term loan facilities obtained that was used to partially repay short term loans to improve on the Group's liquidity position. Overall, cash and cash equivalents increased by S\$2.3 million during 1H2021.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No specific prospect or forecast statement was previously made.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Fire-fighting and protection business remains weak due to the impact of Covid-19 on the marine sector, the Group is therefore exploring other areas such as industrial and overseas market to improve its results.

The Phnom Penh and Silhanoukville plants are expected to increase in power generation as Cambodia moves to the dry season in the second half of the year. The Group remains cautious on the electricity demand outlook in the Special Economic Zone as the impact of Covid-19 on the customers in the next reporting period remains uncertain.

Sales process for the disposal of the associate is still ongoing following the partial relaxation of Movement Control Order ("MCO") in Malaysia and Circuit Breaker ("CB") measures in Singapore. However, with the recent spike in Covid-19 cases in Malaysia, it has created uncertainty on any potential delay that could affect the planned timeline of the disposal of the associated company. Despite the uncertainty, the Group remains committed to complete the disposal before the end of this financial year.

As announced by the Company on 20 March 2020, an indirect subsidiary of the Company had received a writ of summons from a supplier to attend in the High Court of Malaysia, for the recovery of their principal sum for civil & construction, piling cost, accrued interest and any other cost amounting to approximately RM3.646 million.

As of this announcement date, the case remains pending and the court hearing date has yet to be fixed. The Company will provide update to the shareholders as and when there is any significant development on this case.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date Payable

Not applicable.

(d) Book Closure Date

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared/recommendeded, a statement to the effect and the reason(s) for the decision

No dividend has been recommended for the current financial period reported on as the Group is currently in a negative revenue reserve position.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 902(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for IPTs under Rule 920 of the Catalist Rules. There were no IPTs of S\$100,000 and above entered into during 1H2021.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. Confirmation by the Directors pursuant to Rule 705(5) of the Listing Manual

We, Tan Boon Kheng and Tan Boon Siang, being two of the directors of Asiatic Group (Holdings) Limited, confirm that to the best of the Board's knowledge, nothing has come to the Board's attention which may render the unaudited interim financial results for the half year ended 30 September 2020 of the Group and the Company to be false or misleading in any material aspect.

On behalf of the Board,

Tan Boon Kheng Tan Boon Siang

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director
11 November 2020

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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