Asiatic Group

ADAPTABILITY & RESILIENCE

ANNUAL REPORT 2020

ABOUT ASIATIC GROUP

WE ARE AN ENGINEERING MANAGEMENT SPECIALIST PLAYING A PIVOTAL ROLE IN THE DEVELOPMENT OF TWO KEY SECTORS:

- FIRE PROTECTION SOLUTIONS
- ENERGY

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.

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.

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MESSAGE TO SHAREHOLDERS

Tay Kah Chye
Independent Chairman

Tan Boon Kheng
Managing Director

DEAR SHAREHOLDERS

The financial year ended 31 March 2020 ("FY2020") saw the Group taking further steps in streamlining the business to improve profitability while sustaining financial performance momentum. Towards the latter part of the financial year, the Group contended with the unprecedented challenges arising from the COVID-19 pandemic outbreak.

BUSINESS AND FINANCIAL REVIEW

We recorded a 27.5% increase in Group revenue to S$48.0 million for the year under review compared to previous financial year. The rise was mainly from our power related segment which saw higher demand for electricity at our three power plants in Cambodia. The country suffered a dry spell which hampered electricity generation at their hydroelectric dams and led to power shortfall and severe blackouts. This in turn translated to higher demand from our plants in Phnom Penh, Silhanoukville and the Special Economic Zone. The fire-fighting and protection segment also saw stronger sales due to an increase in project business from the industrial sector.

While the Group's top line grew, profitability continued to be dampened. For the year under review, impairment assessments were made on the Group's financial instruments. This resulted in a fair value loss of S$1.4 million on the convertible bonds, an impairment of S$0.1 million on trade receivables of Asiatic Fire System Pte Ltd, and an impairment of S$12.8 million in relation to the trade receivables and advances from an associate – Maju Intan Biomass Sdn Bhd ("MJE"). The impairment assessments were made as part of the proposed disposal of the Group's shares and all convertible bonds held by Colben Energy Holdings (Maju Intan) Ltd in MJE. In addition, other operating expenses decreased due to absence of impairment of cost of investment in MJE which amounted to S$2.6 million and S$1.1 million from provision of withholding tax in Cambodia.

Due to a combination of the above factors, a loss after tax of S$13.5 million was recorded in FY2020 against loss after tax of S$20.0 million in FY2019.

REALIGNING STRENGTHS

On a separate note, we are making strides on the corporate front. We have proposed to divest our interest in Maju Intan Biomass Energy Sdn Bhd, an associate company that holds the Maju Intan Biomass Power Plant in Malaysia. We did not arrive at this decision lightly as we had envisioned it to be a flagship in our venture into sustainable energy generation. The plant derives revenue from three sources: the sale of electricity generated, sale of sludge palm oil and the trading of certified emission reduction ("CER") credits. However, the collapse of the CER market and weak palm oil prices have resulted in low revenue and limited the plant's ability to cover its operating costs. After six years of loss-making, we believe it expedient to cut off losses and restrategize our financial and capital resources. This will also allow us to focus on and expand our existing core business and capitalise on future opportunities to enhance the long-term interest of the Group and shareholders of the company.

In addition, we have inked a non-binding memorandum of understanding for the proposed disposal of certain subsidiaries. Negotiations are still underway though the long-term objectives remain the same – to allow the Group greater capability to unlock value for its shareholders.

OUTLOOK

The outlook for the coming financial year appears cloudy as the COVID-19 pandemic continues to impact livelihoods and businesses on a global scale. Countries which had previously declared successful containment of the virus outbreak find themselves once again in the midst of a resurgence.

At Asiatic, the health and safety of our staff and customers is our utmost priority and we uphold the various measures such as safe distancing, hygiene practices and movement limitations as dictated by the respective governments of the countries where we operate.

MESSAGE TO SHAREHOLDERS

The majority of our revenue comes from Singapore and Cambodia and we will closely monitor the economies to tailor our strategies accordingly. In Singapore, the Ministry of Trade and Industry reported that due to COVID-19, the economy contracted by 13.2 per cent for the second quarter, the country's worst performance to date. The MTI has also further adjusted its GDP forecast, expecting it to shrink between 5 per cent and 7 per cent for 2020[1].

Meanwhile in Cambodia, the World Bank Group states that the country's small, open economy has also been hit hard with sharp deceleration in most economic activities. It also projects real growth to contract by 1.0 per cent in 2020 but to recover to 6.0 per cent in 2021 assuming a rebound in global demand.[1]

At Asiatic, we anticipate that the atmosphere of uncertainty will continue for the foreseeable future and we will be gearing our operations and strategies to be robust and accommodate these challenges. We will continue to refine our operations, finding new means to improve operational efficiency and better manage our costs.

CHANGES TO THE BOARD

On behalf of the board, we would like to welcome Mr Yip Mun Foong James who has joined us as a Non-Executive and Independent Director. We look forward to working together with him in the coming years.

ACKNOWLEDGEMENTS

We would also like to thank our business partners, the management, staff and shareholders for their faith and support especially during these challenging times. With your support, Asiatic is better enabled to forge ahead for the benefit of all stakeholders.

TAY KAH CHYE
Independent Chairman

TAN BOON KHENG
Managing Director

[1] https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-Second-Quarter-2020/PR_2Q20.pdf

OUR INVESTMENTS

We remain focused on growing our businesses sustainably through continuous refining of our work processes to improve efficiency, and exploring new avenues to meet demand. We will leverage on the strong foundations of our fire protection segment solutions to further develop our product range, market reach and brand visibility to strengthen our standing as a leading provider. Concurrently, we will identify suitable strategies to unlock value from the energy business

FIRE PROTECTION SOLUTIONS

Asiatic Fire protection business unit has developed into a specialised fire fighting 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

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.

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.

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.

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.

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.

OPERATIONS REVIEW

For the financial year ended 31 March 2020 ("FY2020"), Group revenue rose by 27.5% to S$48.0 million as compared to S$37.7 million in in the financial year ended 31 March 2019 ("FY2019"). The increase was primarily due to higher revenue from our power related segment. Our three power plants in Phnom Penh, Silhanoukville and Special Economic Zone catered to higher demand for power due to a power shortfall in Cambodia. The segment contributed 61.8% to Group revenue while the remaining 38.2% of Group revenue was made up of contribution from our fire-fighting and protection segment which also improved due to an increase in project business from the industrial sector.

PROFITABILITY

As a result of the higher power generation of the power related segment, cost of sales rose proportionally. Other income also increased mainly due to write off of inactive creditors' balances.

For the year under review, there was an amortisation charge for right-of-use assets following the adoption of SFRS(I) 16. Unlike in FY2019, the Group in FY2020 did not incur any share of loss in associate as the cost of investment in associate has been fully impaired.

As part of its strategy to streamline operations and improve profitability, the Group has proposed to dispose of its share and convertible bonds held by Colben Energy Holdings (Maju Intan) Ltd in an associate, Maju Intan Biomass Energy Sdn Bhd ("MJE"). The proposed disposal had led to fair value loss of S$1.4 million on the convertible bonds and impairment of S$12.8 million in relation to the trade receivables and advances from an associate, MJE. In addition, there was an impairment of S$0.1 million on the trade receivables of Asiatic Fire System Pte Ltd.

Other operating expenses decreased mainly due to absence of impairment of cost of investment in MJE which amounted to S$2.6 million and S$1.1 million from provision of withholding tax in Cambodia, compared to previous year.

OPERATIONS REVIEW

As a result of the aforementioned, the Group posted a loss after tax of S$13.5 million for FY2020 as compared to the loss after tax of S$20.0 million for FY2019.

MOVEMENT IN COMPREHENSIVE INCOME

At the end of FY2020, the strengthening of the US dollar against the Singapore dollar led to a foreign currency translation gain on Cambodia operations amounting to S$1.7 million, which was S$0.4 million higher than the S$1.3 million in FY2019. The change was directly accounted for in the statement of changes in equity under foreign currency translation reserve.

BALANCE SHEET

As at 31 March 2020, the Group's non-current assets decreased due to the S$12.8 million impairment of amount due from associate, MJE and S$1.4 million fair value loss on convertible bonds. The decrease is partially offset by an increase of Right of Use ("ROU") assets of S$2.1 million.

Inventories increased due to higher stock level in the power related segment. Group receivables also increased due to receivables of the fire fighting and protection segment rising by S$1.4 million due to higher sales towards the end of FY2020. This was however offset by a decrease of S$0.4 million from the power related segment's receivables due to better collection. On a similar note, other receivables also increased due to higher billing for fuel sale during the year.

The Group's trade payables likewise increased due to the larger amount of trade purchases to accommodate the higher demand from Electricite Du Cambodge ("EDC"), a state-owned electricity company in Cambodia. However, these increases were offset by a decrease in loans and borrowings following the redemption of the Group's non-convertible bond by S$0.6 million and repayment of bank loan amounting to S$0.5 million.

Non-current liabilities were higher for FY2020 mainly due to the increase in lease liability as a result of the adoption of SFRS(I) 16.

As at 31 March 2020, the Group had a net current liabilities position of S$20.5 million arising from the utilisation of short-term financing on the Group's energy projects. The Group is currently in negotiations to restructure existing loans to improve its liquidity position. In addition, subsequent to FY2020, the Group had successfully rolled over approximately S$14.1 million out of S$21.8 million of short-term loans, and has continued to fulfil its debt obligations. A substantial portion of the term loans is secured by the Group's power plant assets and factory building and the Group was in a net asset position of S$36.1 million as at 31 March 2020.

Based on the foregoing, the Board believes that the Group will be able to operate as a going concern and is of the view that the Group's working capital is sufficient to meet its present requirements and for the next twelve months.

CASH FLOW

During FY2020, net cash generated from operating activities amounted to S$2.3 million after taking into account the 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 outflow from its financing activities mainly arising from (i) the redemption of the non-convertible bonds and (ii) repayment of interest-bearing term loans. Overall cash and cash equivalent increased by S$0.6 million during FY2020.

OUTLOOK

Moving forward, the industries we cater to and the countries we operate in still face a degree of uncertainty due to the COVID-19 pandemic. Economic recoveries are expected to be uneven as countries are faced with challenges unique to their conditions. Furthermore, recovery is contingent upon revival of other industries and countries due to the nature of globalised trade and travel.

The Group will continue to pursue its plans to streamline its business and exercise prudence in tackling any challenges that may arise during this new normal.

BOARD OF DIRECTORS

TAY KAH CHYE, 73
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 27 July 2017. He is also the Chairman of the Audit and Risk Committee and a member of the Renumeration 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 Pte Ltd and PATA International Enterprise Pte Ltd). He has served as the Honorary Secretary General of ASEAN Bankers Association, a regional banking industry group from 1991 to 2007 and as Honorary Advisor 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 Ltd, 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 AsiaTravel.com Holdings Ltd. He graduated with a Bachelor of Social Sciences (Economics) from the University of Singapore in 1970. Pursuant to Regulation 103 of the Company's Constitution, Mr Tay will retire as a director via rotation at the forthcoming AGM and has consented to re-election as a director.

TAN BOON KHENG, 59
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 28 July 2016. Pursuant to Regulation 103 of the Company's Constitution, Mr Tan will retire as a director via rotation at the forthcoming AGM and has consented to re-election as a director.

TAN BOON SIANG, 51
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 27 July 2017.

CHIA SOON HIN WILLIAM, 67
Independent Director

was appointed as a Non-Executive Independent Director on 1 September 2018 and was last re-elected at the AGM held on 25 September 2019. He is also the Chairman of both the Remuneration Committee and Nominating Committee, and a member of the Audit and Risk Committee. Besides serving as an Independent Director of two other listed companies, Ley Choon Group Holdings Limited and Sincap Group Limited, he provides training for financial institutions and business advisory to corporations through his company, Xie Capital Pte Ltd. He has more than 35 years of retail and commercial banking experience with Overseas Union Bank, Standard Chartered Finance, DBS Bank, Malayan Banking Berhad and United Overseas Bank. Prior to his retirement from United Overseas Bank in October 2014, he was an Executive Director with the bank's Group Commercial Banking. He is a Chartered Secretary and Associate of the Governance Institute of Australia, Fellow with the Chartered Institute of Marketing (UK) and Associate with the Chartered Institute of Bankers (UK). He was conferred IBF Fellow by the Institute of Banking and Finance Singapore in November 2014.

BOARD OF DIRECTORS

YIP MUN FOONG, JAMES, 69
Independent Director

was appointed as a Non-Executive Independent Director on 23 December 2019. He is a member of the Audit and Risk Committee, the Remuneration Committee and the Nominating Committee.

James had been in the banking industry for some three decades covering the whole gamut of corporate, commercial, investment banking, capital markets and private equity fund raising. He has worked for several international financial institutions and his last banking appointment was Global Head of Capital Markets and Syndications at Overseas Union Bank. A native Singaporean, James has worked and travelled widely in Asia, Australiasia, Europe and the USA.

James had also been for two years until May 2006 the general manager of the investment subsidiary of the Changi Airport Group. From July 2006 to end 2008, James was an independent advisor with the Asian Transportation Group of HSH Nordbank, Hamburg assisting in the financing of infrastructure projects in the Asia Pacific, working closely with international agencies like the Asian Development Bank and the IFC, a unit of the World Bank.

James holds a post-graduate diploma in management studies from the Graduate School of Business, University of Chicago, a post-graduate diploma in financial management from the Stern School of Business Administration, New York University and a diploma from the Chartered Institute of Bankers, London. He also holds an executive diploma in directorship jointly awarded by the Singapore Institute of Directors and the Singapore Management University.

James has sat on the boards of several listed companies in Singapore, Australia and UK as an independent non-executive director. These companies are involved in diversed industries, ranging from oil and gas production, solar-powered water heaters, biofuel, memory modules manufacturing to marine out-board equipment distribution.

Pursuant to Regulation 107 of the Company's Constitution, Mr. Yip will retire as a director at the forthcoming AGM and has consented to re- election as a director.

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 serve Asiatic Fire System Pte Ltd as a consultant. 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.

TAN BOON YEW

joined the Group in 1981 and is responsible for the management and supervision of the marine-based fire fighting and protection business. He retired as Executive Director of the Company on 26 July 2018. Mr Tan remained as a Director in Asiatic Fire System Pte Ltd. Tan Boon Yew is the brother of Tan Boon Kheng 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.

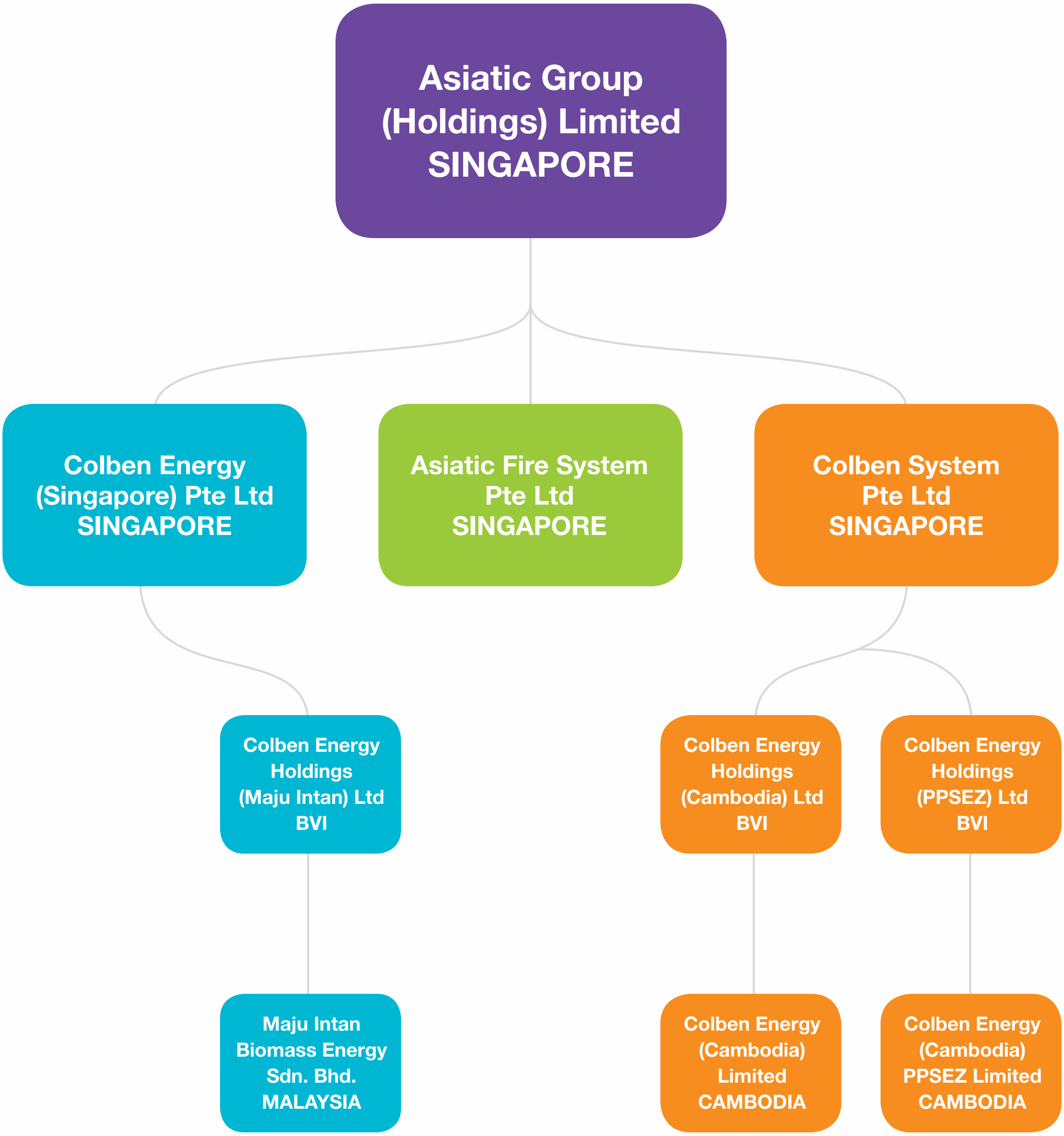
WONG WAI CHEONG

is our Financial Controller and is responsible for the strategic planning, corporate planning, corporate structuring, financial planning, treasury functions, statutory reporting and accounting of our Group. Mr Wong had joined our Group in 2012 as Finance Manager and was promoted to Financial Controller in October 2018. Prior to joining our Group, he was the Regional Manager, Asia Pacific – Operations & Finance with Amer Sports Malaysia Sdn Bhd for 14 years. Mr Wong graduated from Universiti Utara Malaysia with an honors degree in Accounting and he is a member of Malaysian Institute of 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 Siang
(Executive Director)
Chia Soon Hin William
(Independent Director)
Yip Mun Foong, James
(Independent Director)

COMPANY SECRETARY

Yoo Loo Ping

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: Tan Po Hsiong Jonathan
(with effect from financial year 2017)

AUDIT AND RISK COMMITTEE

Tay Kah Chye (Chairman)
Chia Soon Hin William
Yip Mun Foong, James

REMUNERATION COMMITTEE

Chia Soon Hin William (Chairman)
Tay Kah Chye
Yip Mun Foong, James

NOMINATING COMMITTEE

Chia Soon Hin William (Chairman)
Tay Kah Chye
Yip Mun Foong, James
Tan Boon Kheng

SHARE REGISTRAR

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 2018 (the "Code") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015 for the financial year ended 31 March 2020 ("FY2020").

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist issued by the SGX-ST (the "Catalist Rules"), this report describes the Company's corporate governance processes and activities for FY2020. Proper explanation has been given where there is a deviation from the recommended guideline(s).

PRINCIPLE 1: BOARD MATTERS

The Board's Conduct of Affairs

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

- Budgets, quarterly, half-year and full year results announcements, annual reports and audited financial statements;
- Corporate strategic direction, strategies and action plans;
- Issuance of policies and key business initiatives;
- Acquisition/disposal and other material transactions;
- Declaration of interim dividends and proposal of final dividends; and
- Convening of shareholders' meetings.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other professional consultants on the continuing obligations and requirements of a public listed company. Further, Directors are encouraged to attend seminars and courses to complement their core expertise and to keep abreast of the ongoing regulatory changes and compliance, and are provided with opportunities to develop and maintain their skills and knowledge at the company's expense.

Courses, conferences and seminars attended by the Directors in FY2020 include:

Course Name	Held By
● Financial Reporting: Fraud in China ● CTP6 - Executive & Director Remuneration ● SID Directors Conference 2019 ● Singapore Board of Directors Survey 2019 ● Best Risk Management Award Seminar	Singapore Institute of Directors ("SID")
● Blockchain: What's All the Excitement About ● IT & Security related talks	Ernst & Young LLP
● Future Economy Conference 2019	Singapore Business Federation (SBF)
● 2020 Spring Cleaning for the NY - 4 Key Compliance Issues That Require Dusting	Rajah & Tann Singapore

When a Director is first appointed to the Board, an orientation program is arranged for him/her to be 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 the Director. All new first-time Directors (who have no prior experience as a director in a listed company) are also required to attend appropriate SGX-SID Listed Company Director (LCD) Programmes offered by SID within 1 year from the date of his/her appointment. There was no first-time Director appointed by the Company in FY2020.

Our Board has established and delegated certain responsibilities to the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit and Risk Committee ("ARC") (collectively, the "Committees"). The Committees are each chaired by an Independent Director and majority of the members are independent and non-executive.

Directors' Attendance at Board, Committees and Shareholders' General Meeting

	Board	ARC	NC	RC	AGM
Total held in FY2020:	**3**	**3**	**1**	**1**	**1**
Tay Kah Chye (Independent and non-executive Chairman)	3	3	1	1	1
Tan Boon Kheng (Managing Director)	3	3[(1)]	1	1[(1)]	1
Tan Boon Siang (Executive Director)	3	3[(1)]	1[(1)]	1[(1)]	1
Chia Soon Hin William (Independent and non-executive Director)	3	3	1	1	1
Yip Mun Foong James[(2)] (Independent and non-executive Director)	1	1	–	–	–
Lee Fang Wen[(3)] (Independent and non-executive Director)	1	1	1	1	1

Notes:

1. Attendance by invitation.
2. Appointed as a Director on 23 December 2019.
3. Retired as a Director at the annual general meeting held on 25 September 2019.

Access To Information

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

The Management would provide the explanatory documents on matters to be brought before the Board and its Committees. 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 the Management for review during the meetings.

Each Director also has access to the Company Secretary who attends the Board's and the Committees' meetings. The Company Secretary also assists the respective Chairman of the Committees and the Board in the conduct of meetings and ensures that procedures and corporate governance practices are adhered to. The appointment and removal of the Company Secretary is subject 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, such service will be available at the Company's expense.

Every Director has separate and independent access to the Management, the 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.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board currently comprises five (5) Directors, comprising of two (2) executive directors and three (3) independent and non-executive directors ("Independent Directors"), whose collective experience and contributions are valuable to the Company.

The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. Independent Directors constructively challenge and help to develop strategies, and to review and monitor the performance of the Management, agreed goals and objectives.

The Board has reviewed the current composition of the Board and is of the view that the current composition of the Board remains relevant and nimble to meet the changing challenges in the industry and countries which the Group operates in. Such reviews, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis or when circumstances warrant, to ensure that the Board dynamics remain optimal.

There is a strong and independent element on the Board given that there are three Independent Directors who has formed majority of the Board and the Chairman of the Board is independent. Accordingly, the composition of the Board is in compliance with the Code and the Catalist Rules.

The Independent Directors, led by Independent Chairman, meet without the presence of Management as and when necessary, and provides feedback to the Board as appropriate. The Independent Directors of the Company have met once in the absence of Management in FY2020.

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 Company understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company as well as avoid groupthink and foster constructive debate. It enhances decision-making capability and giving diversified views to enhance Board discussion and ensuring that the decisions made by the Board have been considered from all points of view. The Board comprises Directors who have expertise across areas such as banking, finance and accounting, business and industry-specific experience, management and strategic planning.

The profile of our Directors can be found on pages 12 to 14 of this Annual Report. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Balance and Diversity of the Board Competencies	***Number of Directors***	***Proportion of Board***
Accounting or finance	3	60%
Business management	5	100%
Legal or corporate governance	5	100%
Relevant industry knowledge or experience	4	80%
Strategic planning experience	5	100%
Customer based experience or knowledge	5	100%

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.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company recognizes the principle of a clear division of responsibility between the Chairman and the Chief Executive Officer (in our case, the Managing Director (the "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 the 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 the quality, quantity and timeliness of flow of information between the Management and the Board, and assisting in ensuring compliance with our Company's guidelines on corporate governance, while our MD is responsible for the planning, business development and generally charting the strategic growth of the Group. The Chairman is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate. The Chairman is contactable at taykahchye@gmail.com.

PRINCIPLE 4: BOARD MEMBERSHIP

Nominating Committee

The Nominating Committee ("NC") of the Company comprises the following members, the majority of whom, including the NC Chairman, are independent and non-executive directors:

– Chia Soon Hin William (Chairman)

– Tay Kah Chye (Member)

– Yip Mun Foong James (Member)

– Tan Boon Kheng (Member)

The NC is guided by its terms of reference, including but not limited to the key responsibilities as follows:

- Identifies candidates and reviews all nomination for the appointment and re-appointment of members 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 and the Catalist Rules;

- Assesses the effectiveness of the Board as a whole, its Board Committees and of each Director as to whether he is able to and has adequately carried out his duties as a Director, in particular, where a Director has directorships in other companies;

- Reviews the structure, size, composition, diversity and skills of the Board annually and make recommendations to the Board;

- Reviews the succession plans for Directors, in particular, the Managing Director, executive directors and key management personnel;

- Reviews the training and professional development programs for the Board and its Directors and ensures that all new members of the Board undergo an appropriate orientation programme; and

- Decides how the performance of the Board, its Board Committees and individual Directors may be evaluated and proposes objective performance criteria and thereafter submits for the Board's approval.

The NC has examined the appropriateness of the Board size, taking into consideration the changes in the nature and scope of the Group's operations as well as the applicable prevailing regulatory, and is satisfied that the current size and composition of Board meets the Company's existing needs and the nature of operations.

Where a vacancy occurs and as and when the need arises, the Management or Director 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, amongst others, review the candidate's credentials, and assess the candidate's competency, suitability and ability to devote sufficient time for the Company. The NC will thereafter provide its recommendations to the Board for approval.

The NC has reviewed and is of the opinion that holding multiple listed company board representations by some Directors have not impeded their performance and abilities in carrying out their duties to the Company. The NC has assessed and is satisfied that each Director has dedicated sufficient resources to diligently discharge his duties in FY2020. The Board did not set any cap on the number of listed company board representations a Director may hold in FY2020 given that all the Independent Directors do not have extensive multiple directorships and have been able to dedicate their time and attention 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 information of all Directors, including their listed company directorships and their principal commitments are set out on pages 12 to 14 of this Annual Report.

All Directors report any new appointments or changes in their external appointments on timely basis, as well as any corporate developments relating to their existing external appointments, which may affect their independence. This ensures that Directors continually meet the stringent requirements of independence under the Code and the Catalist Rules.

The Independent Directors had in FY2020 confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The NC had also assessed the independence of each Independent Director and is satisfied that Mr Tay Kah Chye, Mr Yip Mun Foong James and Mr Chia Soon Hin William to be independent. There are no directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code or Catalist Rules that would otherwise deem him/her not to be independent. There are no Independent Directors who has served beyond nine years from the date of his first appointment.

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 NC and also considers 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 constitution of the Company (the "Constitution") provides that at least one-third of the Board is required to retire via rotation at each annual general meeting ("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.

Mr Tay Kah Chye and Mr Tan Boon Kheng are retiring by rotation in the forthcoming AGM and their re-election are subject to shareholders' approval at the forthcoming AGM pursuant to Regulation 103 of the Constitution. Mr Yip Mun Foong James, who is appointed as an Independent Director on 23 December 2019 and would be subjected to retirement and be re-elected at the forthcoming AGM by shareholders in accordance with Regulation 107 of the Company's Constitution. All of them have consented to continue in office.

Mr Tay Kah Chye, if re-elected, will remain as the Independent Chairman of the Board, Chairman of the Audit and Risk Committee, and a member of the Remuneration Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr Tan Boon Kheng, if re-elected, will remain as the Managing Director and a member of the Nominating Committee.

Mr Yip Mun Foong James, if re-elected, will remain as the Independent Director, and a member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Information pursuant to Rule 720(5) of the Catalist Rules on Mr Tay Kah Chye, Mr Tan Boon Kheng and Mr Yip Mun Foong James can be found on pages 32 to 38 of this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

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 and its Committees. The NC sets the objective performance criteria for the assessment which allow comparison with industry peers. The assessment criteria focus 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/her interactive skills, participation level at the Board and Committees' meetings, insight knowledge and preparedness 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 NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2020 as compared to the previous financial year as the Board composition and the Group's principal business activities remained the same as the financial year ended 31 March 2019 ("FY2019"). However, the NC recognizes the importance of having an Independent Director with legal background. So moving on for the purpose of board succession, legal background will be the key criteria for evaluating future candidate(s) when the Board refreshes itself.

The review process involves:

1. All Directors individually and collectively as a whole completing a board evaluation questionnaire on the effectiveness of the Board, its Committees and the individual Directors based on the aforementioned performance criteria;

2. The Company Secretary will collate and present the questionnaire results to the NC Chairman in the form of a report; and

3. The NC will deliberate the report and opine on 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 individual performance.

Following the completion of the assessment for FY2020, the NC is of the opinion that the Board, its Committees and each Director had been effective and had met their performance objectives during FY2020 notwithstanding that the Company was in loss-making position for FY2020. No external facilitator was engaged in the evaluation process for FY2020.

PRINCIPLE 6: REMUNERATION MATTERS
PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

Remuneration Committee

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

– Chia Soon Hin William (Chairman)

– Tay Kah Chye (Member)

– Yip Mun Foong James (Member)

The RC is guided by its terms of reference, including but not limited to the key responsibilities 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 Asiatic Performance Share Plan which was approved and adopted at the Extraordinary General Meeting ("EGM") held on 15 August 2013.

The RC reviews and considers all aspect of remuneration, including termination terms to ensure they are fair. The RC's review of the remuneration packages as stipulated in the service agreements, takes into consideration the long-term interests and direction of the Group, the performance of the Group and the overall assessment of the Board (where applicable) and individual contribution of the Directors and key management personnel. The RC will also ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

In determining remuneration packages of executive directors and key management personnel, the RC reviews and ensure that (i) they are adequately but not excessively rewarded; and (ii) the level and mix of remuneration should be appropriate to attract, retain and motivate Directors and key management personnel to run the Company successfully and create long-term sustainable value for its stakeholders. 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.

Proposed salary increments, or bonus pay-outs, if any, are reviewed by the RC, taking into consideration factors such as the actual financial performance of the Group, vis-à-vis the contribution by the respective Executive Directors or key management personnel. All recommendations of the RC will be submitted for approval 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.

The RC and the Board is of the view that the annual review of the remuneration of the Directors and key management personnel, which includes giving due regard to prevailing market conditions as well as the financial, commercial health and business needs of the Group is currently sufficient to ensure the continued relevance of such remuneration packages to the Group's long term strategic business objectives and alignment with market practices.

In discharging their duties, the RC may seek professional advice where necessary. For FY2020, RC had not sought external remuneration consultants to review the remuneration packages of directors and key management personnel. The RC had assessed and was satisfied that the appointment of an external remuneration consultant in FY2020 was not necessary after reviewing the employment conditions within the industry and comparable companies.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate. Nevertheless, RC will review the inclusion of "claw-back" provision in future service agreements.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The total remuneration and breakdown (in percentage terms) of the remuneration of Directors of the Company for FY2020 is set out below:

Name of Director	Total Remuneration (S$)	Base/Fixed Salary	Directors' Fee	Bonus	Benefits	Total
Tan Boon Kheng[(1)]	301,000	100%	–	–	–	100%
Tan Boon Siang[(1)]	234,000	93%	–	7%	–	100%
Tay Kah Chye	40,000	–	100%	–	–	100%
Chia Soon Hin William	27,500	–	100%	–	–	100%
Yip Mun Foong James[(4)]	5,000	–	100%	–	–	100%
Lee Fang Wen[(5)]	12,500	–	100%	–	–	100%

The breakdown (in percentage terms) of the remuneration of the top 5 key management personnel of the Group for FY2020 is set out below:

Name of key management personnel	Designation	Base/Fixed Salary (%)	Bonus (%)	Total (%)
Below S$250,000				
Tan Ah Kan @ Tan Kow La[(1)]	Consultant, Asiatic Fire System Pte. Ltd.	100	–	100
Tan Boon Yew[(2)]	Director, Asiatic Fire System Pte. Ltd.	100	–	100
Wong Wai Cheong	Group Financial Controller	100	–	100
Lee Yoke Chun[(3)]	Group Admin & HR Manager	100	–	100
Ng Meng Cheng	Director, Colben System Pte. Ltd.	100	–	100

Notes:

1. Tan Boon Kheng and Tan Boon Siang are the sons of Tan Ah Kan @ Tan Kow La.
2. Tan Boon Yew is the brother of Tan Boon Kheng and Tan Boon Siang.
3. Lee Yoke Chun is the spouse of Tan Boon Kheng.
4. Yip Mun Foong James was appointed on 23 December 2019 and his fees was pro-rated.
5. Lee Fang Wen retired as a Director on 25 September 2019 and his fees was pro-rated.

The aggregate remuneration paid to the above key management personnel was approximately S$635,000 in FY2020.

No termination, retirement and post-employment benefits were granted to the Directors or key management personnel in FY2020.

The remuneration received by the Managing Director, the Executive Directors and key management personnel takes into consideration his/her individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary. The variable compensation is determined based on the level of achievement of corporate objectives (such as financial performance) and individual performance objectives (such as project management, strategic and operational effectiveness).

The RC has reviewed and is satisfied that for FY2020, the remuneration received by the Managing Director, the Executive Directors and key management personnel are commensurate with their efforts and achievements. The RC has also reviewed and is satisfied that the overall performance conditions were met for FY2020.

Remuneration of other employees related to a Director

Save as disclosed above, the following are other employees who are immediate family members of Tan Boon Kheng and Tan Boon Siang, the Managing Director and Executive Director of the Company, but whose remuneration does not exceed S$100,000. The aggregate remuneration (including CPF contributions thereon and benefits) of these employees amounted to approximately S$196,000 for FY2020.

Names of Employees	Relationship with Tan Boon Kheng and Tan Boon Siang
Tan Ah Soi	Uncle
Tan Chee Meng	Cousin
Tan Tze Wee	Cousin

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

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 award has been granted since its adoption and for FY2020.

The Share Plan is designed to provide 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.

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. The assessment criteria for granting of awards under the Share Plan will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

The Share Plan allows for participation by the Group’s employees (including the Managing Director and Executive Directors, namely, Tan Boon Kheng 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 of the Company 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 shares comprised in the share awards granted under the Share Plan to, a participant who is a controlling shareholder of the Company 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 of the Company 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 40 of the Annual Report under the Directors' Statement.

PRINCIPLE 9: ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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. The Board determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation.

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance and has outsourced its internal audit function. Nexia TS Risk Advisory Pte Ltd ("Nexia") was the internal auditor for the Group for FY2020. Based on the internal audit report from Nexia, the ARC understands that there are no significant nor material weakness identified so far.

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 will be reported to the ARC. The ARC also reviews the effectiveness of the actions taken on the recommendations made by the external auditors, if any.

For FY2020, the ARC had received assurance:

(i) from the Managing Director and Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) from the Managing Director and relevant key management personnel that the Company's risk management and internal control systems were adequate and effective.

Based on the risk management and internal controls system established and maintained by the Group and work performed on the review of key internal controls by the external auditors and internal auditors, reviews performed by the Management and the various Board Committees, the Board with the concurrence of the ARC, are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2020.

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

All members of the ARC, including the ARC Chairman are Independent Directors, and have recent and relevant accounting or related financial management expertise or experience which fulfill the requirements for the composition of the ARC pursuant to the Code. Members of the ARC were 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 by external auditors.

The composition of the ARC is as follows:

- Tay Kah Chye (Chairman)
- Yip Mun Foong James (Member)
- Chia Soon Hin William (Member)

None of the ARC members were former partners or directors of the Company's external auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as they have any financial interest in the auditor firm or auditing corporation.

The ARC is guided by its terms of reference, including but not limited to the key responsibilities as follows:

a) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance;

b) reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

c) reviews the assurance from the Managing Director and Group Finance Controller on the financial records and financial statements;

d) reviews the Company's Whistle-Blowing Policy and to ensure that arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be safely raised and independently investigated, and for appropriate follow-up action to be taken;

e) reviews the audit plan of the external auditors and their evaluation of the system of internal controls and monitor Management's response and actions to correct any noted deficiencies;

f) reviews the internal audit plan and findings by the internal auditors;

g) reviews the adequacy, effectiveness, independence, scope and results of both the internal and external audit function. Where the external auditors also supply a substantial volume of non-audit services to the Company, the ARC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

h) determines that no unwarranted Management restrictions are being placed upon either the internal or external auditors;

i) reviews interested person transactions;

j) makes recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; and

k) generally undertakes such other functions and duties as may be required by statute, the Catalist Rules and/or the Code, and by such amendments made thereto from time to time.

The ARC meets at least two times a year and as frequently as required. In particular, the ARC meets to review the financial statements before they are circulated to the Board for approval and subsequently announced on SGXNet. In the financial year under review, the ARC has met to review and approve the internal and external audit plans as well as the half-year and full-year unaudited results for announcement purposes. The ARC has also met with the internal and external auditors in the absence of Management once in FY2020.

To enable the ARC to discharge its function properly, the ARC 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 ARC 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 ARC has power to conduct or authorise investigations into any matters within the ARC's scope of responsibility. The ARC is authorised to obtain independent professional advice if deemed necessary to discharge its responsibilities properly. Such expenses would be borne by the Company.

The ARC may also review arrangements (in accordance with the Group's whistle-blowing policy) by which stage 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 ARC ensures that arrangements are in place for the independent investigation of such matters and that appropriate follow up actions are carried out. There were no complaints received under the whistle-blowing policy in FY2020.

External Audit

Pursuant to Rule 715(1) of the Catalist Rules, the ARC noted that the Company and its Singapore incorporated subsidiaries were audited by Messrs Ernst & Young LLP ("EY") based in Singapore. The statutory auditors for the Company's subsidiaries in Cambodia were Messrs BDO (Cambodia) Limited based in Cambodia ("BDO"). For the purposes of the Group's audit and consolidation, EY had also performed a full audit of the accounts of the Cambodian subsidiaries. Further information on the auditors' appointments can be found in Notes 10 and 11 to the financial statements.

The Board and the ARC had reviewed the audit arrangements with EY and BDO, and were satisfied 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, 715 and 716 of the Catalist Rules.

The aggregate amount of audit fees paid/payable to EY in FY2020 amounted to S$108,800. The amount of non-audit services provided by EY in FY2020 was S$9,500. The non-audit service provided by the external auditors was reviewed by the ARC, and with the confirmation from EY, was satisfied that the provision of such non-audit services would not compromise the independence of EY as the external auditors.

The ARC has reviewed the independence and objectivity of the external auditors in FY2020 and is satisfied that the external auditors remain independent and objective. The ARC has also recommended the re-appointment of EY as the external auditors for the ensuing financial year.

Internal Audit

The Group has outsourced its internal audit function and Nexia TS Risk Advisory Pte Ltd was the internal auditor for the Group for FY2020.

The ARC will review the adequacy and effectiveness of the internal auditor ("IA") annually. The IA's primary line of reporting is to the ARC, which also decides on the appointment, termination and remuneration of the IA. However, IA also have an administrative reporting function to Management where planning, coordinating, managing and implementing internal audit work cycle are concerned. The IA reports are also given to the external auditors to ensure effective use of resources and to avoid duplication of efforts.

The ARC is satisfied that outsourced internal audit function is independent, adequately qualified and resourced (as it is a member of the Singapore Institute of Internal Auditors) and adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors). The IA has unfettered access to all the Group's documents, records, properties and personnel, including the ARC, and has the appropriate standing in the Company to discharge its duties effectively.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND ENGAGEMENT
PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS
PRINCIPLE 13: MANAGING STAKEHOLDERS RELATIONSHIPS

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 ensures that it 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.

As the Company does not have a dedicated investor relations team, efforts by the Company in its engagement with investors (both present and prospective) is undertaken by the Managing Director and supported by the Group Financial Controller. In FY2020, such investor relations engagement efforts include meetings with investors and visits to the Group's plants or other places of operations.

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.

Shareholders' Rights and Conduct of General Meetings

Shareholders are encouraged to attend and participate at the general meetings to ensure a greater level of shareholders' participation. Shareholders are informed of the rules, including voting procedures that govern the general meetings to enable them to participate effectively in and vote at the general meetings. As authentication of shareholder identity information and other related security issues remain a concern, the Company, for the time being, has not amended its Constitution to allow shareholders to in absentia at general meetings.

All shareholders of the Company will receive a copy of the Annual Report, the notice of general meeting and any other relevant documents (where applicable) prior to the meeting with the details of the agenda of the general meeting. All documents related to the general meetings are announced via SGXNet and notices of general meeting are advertised in local press.

A shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50, of Singapore (the "Companies Act")) 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.

Relevant intermediary (as defined in Section 181 of the Companies Act) provides that corporation, person or the Central Provident Fund Board that provide nominee or custodial services may appoint more than two proxies in relation to a meeting to exercise all or any of his rights to attend and to speak and vote at the meeting.

At the general meetings, shareholders are given opportunities to express their views and ask the Board and Management questions regarding the operations of the Group. All Directors attending at the general meetings are to answer any questions relating to the work of their respective Committees. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. All directors attended the last AGM of the Company held for FY2019.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. All resolutions tabled at general meetings are put to vote by poll, and their detailed results will be announced via SGXNet after the conclusion of the general meetings. The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. The Company's minutes of the general meetings will be published in the Company's website as soon as practicable.

For the Company's AGM FY2020, due to the COVID-19 pandemic, the Company is conducting its virtual AGM in accordance with the alternative meeting arrangement guideline issued by SGX, all documents related to the general meetings are available on SGXNet and Company's website with the clear instruction to shareholders on the procedures for them to participate at the virtual FY2020 AGM.

Investor relations policy

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Should the need arises, the Company will consider the appointment of a professional investor relations officer to manage the function.

Dividend policy

The Company does not have a fixed dividend policy. Dividend decisions are subject to review of the Group's financial performance, projected future capital needs and working capital requirements. The Company will communicate any dividend pay-outs to shareholders via announcements released to SGX-ST via SGXNet.

Taking into consideration the Group's working capital requirements for the financial year ending 31 March 2021 ("FY2021"), no dividend has been proposed for declaration by the Board in respect of FY2020.

Engagement with Stakeholders

The Company's engagement with the Shareholders, including approach and key interests are disclosed in the Company's Sustainabilty Report for 2020 released and uploaded on SGX website on 31 August 2020. Shareholders can know more about the Group's business and governance practices through the Company's website (https://www.asiatic.com.sg) and to communicate with the Company through the contact details mentioned in the website.

DEALING IN SECURITIES

The Company has put in place an internal code on dealings with securities in accordance with Rule 1204(19) of the Catalist Rules, 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 two weeks before the announcement of the Company's results of each of the first three quarters of its financial year (if applicable) and one month before the announcement of the half yearly and full year 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.

INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies and procedures to ensure that transactions with interested persons are reviewed and approved by the ARC, and are conducted at arm's length basis. There were no interested person transactions of S$100,000 and above entered into for FY2020.

MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of any Executive Director, Non-Executive Director or controlling shareholder of the Company during FY2020.

NON-SPONSOR FEES

Pursuant to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., in FY2020.

SUSTAINABILITY REPORT

Our sustainability report for FY2020 was issued and uploaded on SGX website on 31 August 2020.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Catalist Rules) –

Name of Person	**Tay Kah Chye**	**Tan Boon Kheng**	**Yip Mun Foong James**
Date of Appointment	1 October 2013	25 October 2002	23 December 2019
Date of last re-appointment (if applicable)	27 July 2017	28 July 2016	N.A.
Age	73	59	70
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the experiences and contribution of Mr Tay for re-election as an Independent Director of the Company and Chairman of the Board. The Board considers Mr Tay to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance of Mr Tan for re-election as the Group Managing Director and Executive Director of the Company.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the experiences and contribution of Mr Yip for re-election as an Independent Director of the Company. The Board considers Mr Yip to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Executive, strategic planning and business development	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Board, Chairman of the ARC, NC and RC members	Group Managing Director and Executive Director	Independent Director, ARC, RC and NC members
Professional qualifications	Bachelor of Social Sciences (Economics) – University of Singapore	Diploma in mechanical engineering	(i) Post-graduate Diploma in management studies – Graduate School of Business, University of Chicago (ii) Post-graduate diploma in financial management – Stern School of Business Administration, New York University (iii) Pioneer recipient of the executive diploma in directorship jointly awarded by the Singapore Institute of Directors and the Singapore Management University

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
Working experience and occupation(s) during the past 10 years	(i) January 2012 to Present - Group CEO, Pata Group (Pata Int'l Enterprise Pte Ltd and Pata Consultancy Pte Ltd) (ii) March 2011 to present - Executive Chairman of CLMV Consult (Net) Pte Ltd,	Managing Director of Asiatic Group (Holding) Ltd	(i) March 2016 to October 2017 – Advisor/Consultant of Glory Fund Management Group Pte. Ltd. (ii) January 2010 to December 2012 – Independent Advisor of SC Fulfil Consulting Pte. Ltd. (iii) August 2006 to January 2009 – Independent Advisor of Transportation Group, HSH Nordbank AG
Shareholding interest in the listed issuer and its subsidiaries	1,600,000 ordinary shares	141,156,004 ordinary shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	- Brother of Tan Boon Siang, Executive Director of the Company holding 140,232,000 ordinary shares in the Company and Tan Boon Yew, Director of Asiatic Fire System Pte. Ltd. - Son of Tan Ah Kan @ Tan Low La, Consultant of Asiatic Fire System Pte. Ltd. - Spouse of Lee Yoke Chun, Group Admin & HR Manager of the Company	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
Past (for the last 5 years)	Chemical Industries (Far East) Ltd	None	1. Linc Energy Ltd. (liquidated in year 2016) 2. Auhua Clean Energy PLC (delisted in March 2016 and liquidated in 2017) 3. Pyxis Capital Partners Pte. Ltd. 4. USP Group Limited 5. China Essence Group Ltd.
Present	1. CLMV Consult (Net) Pte Ltd 2. PATA Consultancy Pte Ltd 3. PATA Int'l Enterprise Pte Ltd 4. Wilmar International Ltd 5. Asiatravel.com Holdings Ltd 6. Cambox Investment Pte Ltd 7. Cambox Pte Ltd (Cambodia) 8. Academy of Water Safety and Swimming Ptd Ltd	1. Asiatic Group (Holdings) Limited 2. Asiatic Fire System Pte. Ltd. 3. Colben System Pte. Ltd. 4. Colben Energy (Singapore) Pte. Ltd. 5. Colben Energy Holdings (Cambodia) Ltd. 6. Colben Energy Holdings (PPSEZ) Ltd 7. Colben Energy Holdings (Maju Intan) Ltd 8. Colben Energy (Cambodia) Limited 9. Colben Energy (Cambodia) PPSEZ Limited	1. Sampire Global Pte Ltd 2. Eastlife Pte. Ltd. 3. Maxglobe Pte. Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable	N.A.	N.A.	N.A.

The directors are pleased to present their statement 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 2020.

Opinion of the directors

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 financial position of the Group and of the Company as at 31 March 2020 and the financial performance, 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 Company 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 receive continued financial support from banks and will be able to generate positive cash flows from operations for a period of 12 months from the date these financial statements were approved.

Directors

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

Tay Kah Chye
Tan Boon Kheng
Tan Boon Siang
Chia Soon Hin William
Yip Mun Foong James (Appointed on 23 December 2019)

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, Chapter 50, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Tay Kah Chye	1,600,000	1,600,000	–	–
Tan Boon Kheng	119,156,004	141,156,004	–	–
Tan Boon Siang	68,872,000	140,232,000	–	–

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2020.

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.

Share options and performance shares

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 FY2020.

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;

Audit Committee ("AC") (cont'd)

- 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;
- reviewed the independence of the external auditors annually; and
- undertook 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, having reviewed non-audit services provided by the external auditors to the Group, is satisfied that the independence of the external auditors is not compromised. 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

2 September 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Asiatic Group (Holdings) Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We have audited the financial statements of Asiatic Group (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2020, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

For the year ended 31 March 2020, the Group incurred a net loss after tax of $13,461,000. As at that date, the Group's current liabilities (which includes loan and borrowings of $21,798,000) exceeded the Group's current assets by $20,534,000, and the Company's current liabilities exceeded the Company's current assets by $10,477,000. As disclosed in the notes to the financial statements, a subsidiary of the Group did not meet its financial covenants on certain banking facilities (Note 25) and subsequent to year end a supplier of a subsidiary of the Group had written to the subsidiary seeking immediate repayments for overdue balances (Note 22). Further, the Group continue to face uncertainties as a result of the disruptions brought about by the COVID-19 pandemic and at the date of this financial statements, the sale of the Group's interests in Maju Intan Biomass Energy Sdn Bhd is still ongoing. These conditions and events indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as a going concern.

The directors have prepared the financial statements on a going concern basis based on the assumptions as disclosed in Note 2.2 to the financial statements. However, based on the information available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the appropriateness of the going concern assumption used in the preparation of these financial statements.

Responsibilities of Management and Directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matter referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Po Hsiong Jonathan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

2 September 2020

CONSOLIDATED
INCOME STATEMENT

For the financial year ended 31 March 2020

	Note	2020 $'000	2019 $'000
Revenue			
Sale of goods		16,185	12,605
Sale of services		31,831	25,061
		48,016	37,666
Other income	4	185	402
Costs and expenses			
Cost of sales		(33,968)	(25,925)
Foreign exchange gain/(loss)		349	(73)
Staff costs		(6,050)	(5,703)
Depreciation of property, plant and equipment	9	(2,581)	(2,596)
Depreciation of right-of-use assets	21	(289)	–
Impairment on financial assets		(12,939)	(9,939)
Fair value loss on other investment		(1,351)	(3,140)
Other operating expenses		(3,293)	(7,104)
Share of results of associates	11	–	(2,319)
Loss from operating activities	5	(11,921)	(18,731)
Finance costs	6	(789)	(755)
Loss before tax		(12,710)	(19,486)
Income tax expense	7	(751)	(494)
Loss for the year		(13,461)	(19,980)
Attributable to:			
Owners of the Company		(13,773)	(20,000)
Non-controlling interest		312	20
Loss for the year		(13,461)	(19,980)
Loss per share (cent per share)			
Basic and diluted	8	(0.86)	(1.40)

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 2020

	2020 $'000	2019 $'000
Loss for the year	(13,461)	(19,980)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	1,711	1,323
Share of other comprehensive income of associate	–	64
Other comprehensive income for the year, net of tax	1,711	1,387
Total comprehensive loss for the year	(11,750)	(18,593)
Attributable to:		
Owners of the Company	(12,339)	(18,789)
Non-controlling interest	589	196
Total comprehensive loss for the year	(11,750)	(18,593)

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

BALANCE SHEETS

As at 31 March 2020

		Group		Company	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current assets					
Property, plant and equipment	9	58,973	59,102	–	1
Investment in subsidiaries	10	–	–	32,472	48,892
Investment in associates	11	–	–	–	–
Amount due from associates	19	–	10,179	–	–
Right-of-use assets	21	2,107	–	–	–
Goodwill	12	175	175	–	–
Other investments	13	161	1,522	–	–
		61,416	70,978	32,472	48,893
Current assets					
Assets held for sale	14	–*	–	–	–
Inventories	15	4,137	3,979	–	–
Trade receivables	16	9,061	8,132	–	–
Other receivables	17	1,246	736	–	–
Prepayments		876	995	26	27
Amounts due from subsidiaries	18	–	–	–	–
Amounts due from associates	19	–	–	–	–
Cash and short-term deposits	20	1,838	1,166	29	23
		17,158	15,008	55	50
Current liabilities					
Trade payables	22	10,080	7,029	–	–
Other payables and accruals	23	4,237	4,297	514	301
Amounts due to subsidiaries	18	–	–	9,238	6,390
Loans and borrowings	25	21,798	22,533	780	1,137
Lease and hire purchase liabilities	21	268	84	–	–
Provision for taxation		1,309	712	–	–
		37,692	34,655	10,532	7,828
Net current liabilities		(20,534)	(19,647)	(10,477)	(7,778)
Non-current liabilities					
Amount due to non-controlling interests	24	(2,872)	(3,193)	–	–
Lease and hire purchase liabilities	21	(1,814)	(194)	–	–
Deferred tax liabilities	26	(120)	(47)	–	–
Net assets		36,076	47,897	21,995	41,115
Equity attributable to owners of the Company					
Share capital	27	50,585	50,585	50,585	50,585
Revenue reserve		(21,842)	(8,069)	(28,590)	(9,470)
Foreign currency translation reserve	28	160	(1,274)	–	–
		28,903	41,242	21,995	41,115
Non-controlling interests		7,173	6,655	–	–
Total equity		36,076	47,897	21,995	41,115

* Amount is less than $1,000

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 2020

Group	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
	Attributable to equity holders of the Company					
2020						
Opening balance at 1 April 2019	50,585	(8,069)	(1,274)	41,242	6,655	47,897
Loss for the year	–	(13,773)	–	(13,773)	312	(13,461)
Other comprehensive income						
Foreign currency translation	–	–	1,434	1,434	277	1,711
Total comprehensive loss for the year	–	(13,773)	1,434	(12,339)	589	(11,750)
Distribution to non-controlling interests						
Dividend	–	–	–	–	(71)	(71)
Total distribution to non-controlling interests	–	–	–	–	(71)	(71)
Closing balance at 31 March 2020	50,585	(21,842)	160	28,903	7,173	36,076
2019						
Opening balance at 1 April 2018	46,757	11,931	(2,485)	56,203	6,459	62,662
Loss for the year	–	(20,000)	–	(20,000)	20	(19,980)
Other comprehensive income						
Foreign currency translation	–	–	1,147	1,147	176	1,323
Share of other comprehensive income of associate	–	–	64	64	–	64
Total comprehensive loss for the year	–	(20,000)	1,211	(18,789)	196	(18,593)
Issuance of shares	3,828	–	–	3,828	–	3,828
Closing balance at 31 March 2019	50,585	(8,069)	(1,274)	41,242	6,655	47,897

Company	Share capital (Note 27) $'000	Revenue reserve $'000	Total equity $'000
Opening balance at 1 April 2019	50,585	(9,470)	41,115
Loss for the year, representing total comprehensive income for the year	–	(19,120)	(19,120)
Closing balance at 31 March 2020	50,585	(28,590)	21,995
Opening balance at 1 April 2018	46,757	7,644	54,401
Loss for the year, representing total comprehensive income for the year	–	(17,114)	(17,114)
Issuance of shares	3,828	–	3,828
Closing balance at 31 March 2019	50,585	(9,470)	41,115

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 2020

	2020 $'000	2019 $'000
Operating activities		
Loss before tax	(12,710)	(19,486)
Depreciation of property, plant and equipment	2,581	2,596
Depreciation of right-of-use assets	289	–
Interest expense	789	755
Impairment on net investment in associate	–	2,586
Impairment of financial assets	12,939	9,939
Fair value loss on other investment	1,351	3,140
Gain on disposal of property, plant and equipment	–	(3)
Interest income	(30)	(29)
Provision for stock obsolescence	26	–
Currency alignment	301	50
Share of results of associates	–	2,319
Operating cash flows before changes in working capital	5,536	1,867
Changes in working capital		
Increase in inventories	(157)	(855)
Increase in trade and other receivables	(1,489)	(630)
Increase in amount due from associates	(2,711)	(3,611)
Increase in trade and other payables	2,055	3,289
Cash flows generated from operations	3,234	60
Interest received	–	29
Interest paid	(753)	(755)
Income taxes paid	(141)	(236)
Net cash flows generated from/(used in) operating activities	2,340	(902)
Investing activities		
Purchases of property, plant and equipment (Note 9)	(170)	(453)
Purchase of right-of-use assets	(15)	–
Proceeds from sale of property, plant and equipment	–	37
Net cash flows used in investing activities	(185)	(416)
Financing activities		
Net proceeds from issuance of shares	–	3,828
Redemption of non-convertible bonds	(555)	(1,700)
Proceeds from shareholder loan	280	500
Proceeds from trust receipts and short-term borrowings	102	607
Repayment of interest bearing term loans	(625)	(2,070)
Repayment of principal portion of lease and hire purchase liabilities	(238)	(81)
Increase in pledged fixed deposits	(19)	(48)
Repayment of amount due to non-controlling interests	(467)	–
Net cash flows (used in)/generated from financing activities	(1,522)	1,036
Net increase/(decrease) in cash and cash equivalents	633	(282)
Effect of exchange rate changes on cash and cash equivalents	(43)	40
Cash and cash equivalents at beginning at 1 April	(2,846)	(2,604)
Cash and cash equivalents at 31 March (Note 20)	(2,256)	(2,846)

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

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 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 (International) (SFRS*(I)*).

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), except when otherwise indicated.

2.2 Fundamental accounting concept

For the year ended 31 March 2020, the Group incurred a net loss after tax of $13,461,000. As at that date, the Group's current liabilities (which includes loan and borrowings of $21,798,000) exceeded the Group's current assets by $20,534,000 and the Company's current liabilities exceeded the Company's current assets by $10,477,000. As at 31 March 2020, a subsidiary of the Group did not meet its financial covenants on certain banking facilities (Note 25) and subsequent to year end, a supplier of a subsidiary of the Group (the "Supplier") had written to the subsidiary seeking immediate repayments for overdue balances (Note 22). Further, the Group continue to face uncertainties as a result of the disruptions brought about by the COVID-19 pandemic and at the date of this financial statements, the sale of the Group's interests in Maju Intan Biomass Energy Sdn Bhd ("MJE") is still ongoing. These conditions and events indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as a going concern.

In the opinion of the directors, the Group and the Company are able to continue as a going concern despite the conditions stated above as the directors are confident that the Group will continue to receive financial support from the banks and generate positive cash flows from its operations. As at the date of this financial statements, the Group has commenced discussions with the bank to waive the financial covenants that was not met (Note 25) and is currently in negotiations with the Supplier on a repayment plan (Note 22). The series of fiscal measures introduced by the Singapore government in 2020 to ease the financial strain on businesses impacted by COVID-19 are expected to provide some relief to the Group. Further, as disclosed in Note 14, the Group had entered into a sale and purchase agreement on 19 March 2020 with Hualang Renewable Energy Sdn Bhd for the sale of the Group's interest in MJE. Following completion of the transaction, which is expected to occur before 31 March 2021, the Group will be discharged from the corporate guarantees (Note 31) it had provided to financial institutions in support of MJE and is no longer expected to provide further funding to MJE.

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

2.3 New accounting standards effective on 1 April 2019

SFRS(I) 16 Leases

The Group adopted SFRS*(I)* 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS*(I)* 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The effect of adoption SFRS*(I)* 16 as at 1 April 2019 (increase/(decrease)) is, as follows:

	1 April 2019 **$'000**
Assets:	
Right-of-use assets	2,145
Property, plant and equipment	(306)
Prepayments	(34)
Total assets	1,805
Liabilities	
Lease liabilities and hire purchase liabilities	1,805

The Group has lease contracts for motor vehicles, equipment, leasehold land and office and warehouse space. Before the adoption of SFRS*(I)* 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of SFRS*(I)* 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.23 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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

2.3 New accounting standards effective on 1 April 2019 (cont'd)

SFRS(I) 16 Leases (cont'd)

Based on the above, as at 1 April 2019:

(i) Right-of-use assets of $2,145,000 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of $306,000 that were reclassified from Property, plant and equipment.

(ii) Prepayments of $34,000 relating to previous operating leases were derecognised.

(iii) Additional lease liabilities of $1,805,000 were recognised.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	$'000
Operating lease commitments as at 31 March 2019	812
Weighted average incremental borrowing rate as at 1 April 2019	7.50%
Discounted operating lease commitments as at 1 April 2019	718
Less:	
Commitments relating to short-term leases	(41)
Add:	
Commitments relating to leases previously classified as finance leases	278
Lease payments relating to renewal periods not included in operating lease commitments as at 31 March 2019	1,128
Lease liabilities as at 1 April 2019	2,083

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: *Definition of a Business*	1 April 2020
Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 April 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment -Proceeds before Intended Use*	1 April 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts - Cost of Fulfilling a Contract*	1 April 2022
Annual Improvements to SFRS(I)s 2018-2020	1 April 2022
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 April 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

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

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.

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 2.20. 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.

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:

Leasehold factory buildings	-	60 years
Power plant	-	10 to 50 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

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.

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.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

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 account for its investments in associates 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 represents 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.

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 equals or exceeds its interest in the associate, 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 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 entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in debt instruments (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI 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 for impairment losses, foreign exchange gains and losses 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.

(iii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments 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.

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

2.13 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

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.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due with no recent transactions. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 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. Summary of significant accounting policies (cont'd)

2.17 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.

2.18 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.

<u>Government grants related to income</u>

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.

2.19 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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.20 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.

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

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, 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 over time and is accounted for on a straight-line basis over the contract period as it best represents the pattern of benefits derived from the services contract by the customers. During the year, the Group's sales of service were generated from its maintenance services performed on its fire-fighting equipment.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) 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.

2.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

2.23 Leases (cont'd)

(a) As lessee (cont'd)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	Over the lease term to 2053
Motor vehicles	–	Over the lease term to 2024
Office and warehouse	–	Over the lease term to 2021
Office equipment	–	Over the lease term to 2024

The right-of-use assets are also subject to impairment. Refer to the accounting policies in 2.10 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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

2.23 Leases (cont'd)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Assets held for sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

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.

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

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

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

- 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.

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

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

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, 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 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 were 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) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 16. The carrying amount of trade receivables as at 31 March 2020 is $9,061,000 (2019: $8,132,000).

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

3.1 Key sources of estimation uncertainty (cont'd)

(ii) Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

(iii) Impairment of property, plant and equipment

The carrying amount of property, plant and equipment as at 31 March 2020 is $58,973,000 (2019: $59,102,000) which represent approximately 75.1% (2019: 68.7%) of total assets on the Group's balance sheet.

The assessment of the carrying amount of these assets requires management to exercise judgment in identifying existence of any indicators of impairment. When such indicators are identified, management exercises further judgement in making an estimate of the recoverable amount of these assets against which to compare their carrying values.

These assessments require the use of estimates and assumptions such as the replacement costs, market comparable values, condition of assets, discount rate, electricity consumption volumes, operating costs and future capital requirements. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances may result in deviation from these projections, which may in turn impact the recoverable amount of the assets.

(iv) Impact of COVID-19 on the financial statements

The COVID-19 pandemic that has been declared globally and has not shown any indication of its end. While the Group have considered the potential financial impact of the COVID-19 pandemic in the preparation of the financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and result in adjustments to the carrying amounts of the Group's assets and liabilities.

4. Other income

	Group	
	2020	**2019**
	$'000	**$'000**
Interest income	30	29
Special employment credit	23	21
Sale of fuel and lubricant oil	–	278
Others	132	74
	185	402

5. Loss from operating activities

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

	Group	
	2020	2019
	$'000	$'000
Audit fees payable to:		
- Auditors of the Company	(109)	(115)
- Other auditors	(20)	(22)
Non-audit fees payable to:		
- Auditors of the Company	(10)	(20)
Impairment on net investment in associate	–	2,586
Impairment of financial assets	12,939	9,939
Contributions to defined contribution plans	(330)	(320)
Insurance	(231)	(222)
Inventories recognised as an expense in cost of sales (Note 15)	(18,963)	(13,465)
Legal fees	(100)	(135)
Expense relating to short term lease (Note 21)	(18)	–
Other operating expenses:		
- Rental	–	(243)
- Travelling and transportation	(228)	(145)

6. Finance costs

	Group	
	2020	2019
	$'000	$'000
Interest expense on:		
- Bank loans	(645)	(714)
- Non-convertible bonds	(28)	(28)
- Lease and hire purchase liabilities	(116)	(13)
	(789)	(755)

7. Income tax expense

The major components of taxation for the financial years ended 31 March 2020 and 2019 are:

	Group	
	2020	2019
	$'000	$'000
Consolidated income statement		
Current taxation	762	494
Over provision in respect of previous years	(11)	–
Tax expense recognised in profit or loss	751	494

7. Income tax expense (cont'd)

Reconciliation of the statutory tax rate to the effective tax rate applicable to loss before tax for the financial years ended 31 March 2020 and 2019 are as follows:

	Group	
	2020	2019
	%	%
Statutory tax rate	(17.0)	(17.0)
Tax effect on:		
Effect of different tax rates in foreign countries	18.2	(0.9)
Income not subjected to tax	–	–
Expenses that are not deductible for tax purposes	3.4	19.1
Effect of partial tax exemption and tax relief	(0.1)	(0.1)
Deferred tax assets not recognised	1.9	1.3
Over provision in respect of previous years	(0.1)	–
Others	(0.4)	–
Effective tax rate	5.9	2.4

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

As at 31 March 2020, the Group has unutilised tax losses of approximately $6,617,000 (2019: $4,708,000) that are available for offset against future taxable profit of the companies in which the losses arose, for which no deferred tax asset has been recognised. due to uncertainty of its recoverability. The use of these unutilised tax losses are 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 loss, 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 loss, 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	
	2020	2019
	$'000	$'000
Loss for the year attributable to owners of the Company	(13,773)	(20,000)

	No. of shares	
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation*	1,556,463	1,423,891

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

8. Earnings per share (cont'd)

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.

The basic and diluted earnings per share are calculated by dividing the loss 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 or ordinary shares for diluted earnings per share computation respectively. These profit and loss and share data are presented in table above.

9. Property, plant and equipment

Group	Leasehold factory buildings $'000	Motor vehicles $'000	Office equipment, computers, furniture and fittings $'000	Plant and machinery $'000	Renovations $'000	Power plant [1] $'000	Assets under construction $'000	Total $'000
Cost								
At 1 April 2018	4,821	1,625	717	218	255	88,276	2,764	98,676
Additions	–	174	131	114	26	8	–	453
Transfer	–	–	–	–	–	2,764	(2,764)	–
Disposal	–	(313)	–	–	–	–	–	(313)
Translation	–	–	–	–	–	3,917	–	3,917
At 31 March 2019	4,821	1,486	848	332	281	94,965	–	102,733
Adoption of SFRS(I) 16	–	(520)	(23)	–	–	–	–	(543)
At 1 April 2019	4,821	966	825	332	281	94,965	–	102,190
Additions	–	26	77	6	5	56	–	170
Translation	–	–	–	–	–	5,740	–	5,740
At 31 March 2020	4,821	992	902	338	286	100,761	–	108,100
Accumulated depreciation								
At 1 April 2018	1,415	1,175	474	198	126	35,739	–	39,127
Charge for the year	95	176	81	30	42	2,172	–	2,596
Disposal	–	(279)	–	–	–	–	–	(279)
Translation	–	–	–	–	–	2,187	–	2,187
At 31 March 2019	1,510	1,072	555	228	168	40,098	–	43,631
Adoption of SFRS(I) 16	–	(235)	(2)	–	–	–	–	(237)
At 1 April 2019	1,510	837	553	228	168	40,098	–	43,394
Charge for the year	95	59	92	26	38	2,271	–	2,581
Translation	–	–	–	–	–	3,152	–	3,152
At 31 March 2020	1,605	896	645	254	206	45,521	–	49,127
Net book value								
At 31 March 2019	3,311	414	293	104	113	54,867	–	59,102
At 31 March 2020	3,216	96	257	84	80	55,240	–	58,973

(1) Included in power plant is freehold land with carrying value of $3,629,000 (2019: $3,453,000).

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

Assets held under hire purchase

As at 1 April 2019, the lease assets recognised previously under hire purchase of $306,000 were reclassified from property, plant and equipment to right-of-use assets. Refer to Note 21 for information on the right-of-use assets.

The leased assets are pledged as security for the related lease liabilities.

Assets pledged as security

As at 31 March 2020, the Group's power plant with carrying amount of $50,236,000 (2019: $51,357,000) are subject to a first charge to secure the bank loans (Note 25).

In addition to assets held under hire purchase, the Group's factory buildings with a carrying amount of $3,220,000 (2019: $3,311,000) are mortgaged to secure the Group's bank loans (Note 25).

10. Investment in subsidiaries

	Company	
	2020	**2019**
	$'000	$'000
Shares, at cost	38,133	38,133
Amounts due from a subsidiary [(1)]	4,339	20,759
	42,472	58,892
Impairment loss	(10,000)	(10,000)
	32,472	48,892

(1) The repayment of the amounts due from the subsidiary is at the sole discretion of the subsidiary.

During the year, the subsidiary novated an amount of $16,523,000 it had previously advanced to another subsidiary of the Group to the Company in settlement of $16,523,000 it owed to the Company.

Impairment loss

The impairment loss relates to the Company's investment in a subsidiary that holds an equity investment in an energy related business in Malaysia.

10. Investment in subsidiaries (cont'd)

(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 2020 $'000	Unquoted equity shares, at cost 2019 $'000	Proportion (%) of ownership interest 2020 %	Proportion (%) of ownership interest 2019 %
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
		38,133	38,133		

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion (%) of ownership interest 2020 %	Proportion (%) of ownership interest 2019 %
Held by subsidiaries			
Colben Energy Holdings (Cambodia) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	85	85
Colben Energy Holdings (PPSEZ) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	95	95
Colben Energy Holdings (Vietnam) Ltd # (British Virgin Islands)	Investment holding company and construction of power generation facilities (British Virgin Islands)	100	100
Colben Energy Holdings (Maju Intan) Ltd # (British Virgin Islands)	Investment holding company and construction of power generation facilities (British Virgin Islands)	100	100
Colben Energy Holdings (Kemaman) Ltd #++ (British Virgin Islands)	Investment holding company (British Virgin Islands)	–	100

10. Investment in subsidiaries (cont'd)

(a) *Composition of the Group*

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion (%) of ownership interest 2020 %	2019 %
Held by subsidiaries (cont'd)			
Colben Energy (Cambodia Limited **+ (Cambodia)	Operate power plant (Cambodia)	85	85
Colben Energy (Cambodia) PPSEZ Limited **##+ (Cambodia)	Operate power plant (Cambodia)	49	49

* Audited by Ernst & Young LLP, Singapore

** Audited by BDO (Cambodia) Ltd, Cambodia

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

++ Liquidated during the financial year

\# 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

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

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

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest 2020 %	2019 %	Profit allocated to NCI during the reporting period 2020 $'000	2019 $'000	Accumulated NCI at the end of the reporting period 2020 $'000	2019 $'000
Colben Energy (Cambodia) PPSEZ Limited	Cambodia	27 ##	27##	552	199	6,919	6,408

\## 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%.

10. Investment in subsidiaries (cont'd)

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

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

Summarised balance sheet

	Colben Energy (Cambodia) PPSEZ Limited	
	2020	**2019**
	$'000	**$'000**
Current:		
Assets	2,916	2,410
Liabilities	(34,319)	(34,634)
Net current liabilities	(31,403)	(32,224)
Non-current:		
Assets	53,669	52,907
Liabilities	(2,872)	(3,193)
Net non-current assets	50,797	49,714
Net assets	19,394	17,490
Summarised statement of comprehensive income		
Revenue	20,058	15,007
Profit before income tax	2,545	949
Tax expenses	(502)	(211)
Profit after tax	2,043	738
Other comprehensive income	916	531
Total comprehensive income	2,959	1,269
Other summarised information		
Net cash flows from operations	2,584	2,568

11. Investment in associates

	Group	
	2020	**2019**
	$'000	**$'000**
Shares, at cost	–	3,744
Share of post-acquisition reserves	–	(8,055)
Transfer from construction in progress (1)	–	6,897
Impairment loss (2)	–	(2,586)
	–	–

(1) During 2018, the Group in support of Maju Intan Biomass Energy Sdn. Bhd. ("MJE")'s efforts in improving the operating efficiency of the biomass plant, agreed to defer the collection of trade receivables from MJE till the cash flow of MJE permits. The Group also agreed to recover the unbilled amounts of construction in progress at the end of the project and accordingly capitalised it as cost of investment in associate.

(2) As at 31 March 2019, an impairment loss of $2,586,000 was recorded due to persistent losses recorded by MJE.

11. Investment in associates (cont'd)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2020 %	2019 %
Held through subsidiaries:				
Maju Intan Biomass Energy Sdn. Bhd. *	Malaysia	Operate power plant	#	30

* Audited by Simon Khor & Co, Malaysia

The summarised financial information in respect of material associate, MJE, based on SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Maju Intan Biomass Energy Sdn. Bhd.	
	2020 # $'000	2019 $'000
Summarised balance sheet		
Current assets	–	1,103
Non-current assets	–	39,832
Total assets	–	40,935
Current liabilities	–	9,793
Non-current liabilities	–	44,445
Total liabilities	–	54,238
Net liabilities	–	(13,303)
Net liabilities	–	(13,303)
Proportion of the Group's ownership	–	30%
The Group's share of net liabilities(1)	–	(3,991)
Other adjustments	–	(320)
Transfer from construction in progress	–	6,897
Impairment loss	–	(2,586)
Carrying amount of the investment	–	–
Summarised statement of comprehensive income		
Revenue	–	6,589
EBITDA(2)	–	1,229
Loss after tax	–	(7,923)
Other comprehensive income	–	213
Total comprehensive income	–	(7,710)

(1) As at 31 March 2019, the Group's accumulated share of post-acquisition reserves in MJE amounted to $8,055,000 , which is included in the "Share of post-acquisition reserves" line above. The Group did not record additional share of losses during the year as the investment was fully impaired as at 31 March 2019.

(2) Earnings before interest expenses, income tax and depreciation.

\# Following the proposed disposal of the MJE Interests (Note 14), the Group's investments in MJE have been reclassified as assets held for sale.

12. Goodwill

	Group	
	2020	2019
	$'000	$'000
Goodwill	175	175

Goodwill acquired through business combinations have been allocated to cash-generating unit ("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.

13. Other investments

	Group	
	2020	2019
	$'000	$'000
Non-current:		
At fair value through profit or loss		
- 12% p.a. convertible bonds (unquoted)	–	1,361
- key-man insurance product	161	161
	161	1,522

Convertible bonds

In 2010, the Group entered into a convertible bond agreement with the other shareholders of an associate, Maju Intan Biomass Energy Sdn. Bhd. ("MJE") in which the shareholders issued an aggregate principal amount of Malaysia Ringgit ("RM") 12 million 12% p.a. 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.

In 2017, the Group entered into a bond sale agreement with one of the bondholders, who held the convertible bonds of the other shareholders of MJE, to acquire RM1.2 million of the convertible bonds. The convertible bonds acquired have the same terms as the bonds acquired through the convertible bond agreement in 2010.

Interest is waived until the underlying project for which the proceeds of the bonds to be utilised is completed.

Following the proposed disposal of the MJE Interests (Note 14), the convertible bonds have been reclassified as assets held for sale.

Key-man insurance product

The Group has entered into a life insurance policy with an insurance company to insure the director of a subsidiary. The Group paid upfront premiums for this policy and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer.

14. Assets held for sale

On 19 March 2020, the Company entered into a sale and purchase agreement ("SPA") with Hualang Renewable Energy Sdn Bhd ("Buyer" or "Hua Lang") to sell all shares in MJE and its rights in the convertible bond issued by MJE (the "MJE Interests") at a nominal sum of RM1. The sale of MJE Interests is expected to be completed within the next financial year.

The major classes of assets classified as held for sale as at 31 March 2020 are as follows:

	Group
	2020
	$'000
Assets	
Investment in associate	–*
Other investments - 12% p.a. convertible bonds (unquoted)	–
Amounts due from associates	–
	–*

* Amount is less than $1,000

15. Inventories

	Group	
	2020	**2019**
	$'000	**$'000**
Balance sheet:		
Trading stocks, at cost	4,198	4,014
Less: Allowance for stock obsolescence	(61)	(35)
	4,137	3,979
Income statement:		
Inventories recognised as an expense in cost of sales	18,963	13,465
Provision for stock obsolescence	26	–

16. Trade receivables

	Group	
	2020	**2019**
	$'000	**$'000**
Trade receivables	9,444	8,392
Less: Impairment losses	(383)	(260)
	9,061	8,132

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.

16. Trade receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2020 $'000	2019 $'000
Movement in allowance accounts:		
At 1 April	260	166
Charge for the year	123	94
At 31 March	383	260

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

	Group	
	2020 $'000	2019 $'000
United States Dollar	672	36

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables	9,061	8,132	–	–
Other receivables (Note 17)	1,246	736	–	–
	10,307	8,868	–	–
Amounts due from associates (Note 19)	–	10,179	–	–
Cash and short-term deposits (Note 20)	1,838	1,166	29	23
Total financial assets carried at amortised cost	12,145	20,213	29	23

17. Other receivables

	Group	
	2020 $'000	2019 $'000
Deposits	180	13
Sundry debtors	1,066	723
	1,246	736

18. Amounts due from/(to) subsidiaries

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

During the year, the Company recognised impairment loss of $16,523,000 on amounts due from a subsidiary.

19. Amounts due from associates

	Group	
	2020	2019
	$'000	$'000
Amounts due from associates – nominal amounts (non-current)	22,570	19,933
Less: Allowance for impairment	(22,570)	(9,754)
	–	10,179
Movement in allowance accounts:		
At 1 April	9,754	–
Charge for the year	12,816	9,754
Transfer to asset held for sale	(22,570)	–
	–	9,754

The non-current amounts due from associate relates to unsecured trade receivables which is repayable when the cash flows of the associate permits. The non-current amounts will earn interest of 12.5% p.a. on amounts outstanding from FY2025 (Note 11).

20. Cash and short-term deposits

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash at banks and on hand	1,121	513	29	23
Short-term deposits	717	653	–	–
Cash and short-term deposits	1,838	1,166	29	23

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 rate at 5.00% (31 March 2019: 5.00%) p.a. Short-term deposits amounting to $717,000 (31 March 2019: $653,000) are pledged to secure banking facilities granted to certain subsidiaries (Note 25).

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

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
United States Dollar	396	453	14	13
Cambodian Riel	43	16	–	–

20. Cash and short-term deposits (cont'd)

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

	Group	
	2020	2019
	$'000	$'000
Cash at banks and on hand	1,121	513
Short-term deposits	717	653
	1,838	1,166
Pledged short-term deposits	(717)	(653)
Bank overdrafts (Note 25)	(3,377)	(3,359)
	(2,256)	(2,846)

21. Leases

The Group has lease contracts for motor vehicles, equipment, land, office and warehouse space used in its operations.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of residential space and motor vehicles with lease terms of 12 months. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold land	Office and warehouse	Motor vehicles	Office equipment	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 April 2019	–	–	–	–	–
Reclassification of right-of-use assets on adoption of SFRS(I) 16	–	–	285	21	306
Adoption of SFRS(I) 16	1,771	68	–	–	1,839
Adjusted balance as at 1 April 2019	1,771	68	285	21	2,145
Additions	–	47	207	–	254
Depreciation expense	(136)	(53)	(98)	(2)	(289)
Foreign exchange	(3)	–	–	–	(3)
As at 31 March 2020	1,632	62	394	19	2,107

21. Leases (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Total $'000
As at 1 April 2019	278
Adoption of SFRS(I) 16	1,805
Additions	240
Accretion of interest	116
Payments	(354)
Exchange differences	(3)
As at 31 March 2020	2,082
Current	268
Non-current	1,814

The maturity analysis of lease liabilities are disclosed in Note 32(b).

<u>Obligations under finance leases</u>

In 2019, these obligations are secured by a charge over the leased assets (Note 9). The average discount rate implicit in the leases is 5.54% p.a..

As at 1 April 2019, the obligations under finance leases have been reclassified to lease liabilities.

The following are the amounts recognised in profit or loss:

	2020 $'000
Depreciation expense of right-of-use assets	289
Interest expense on lease liabilities	116
Expense relating to short-term leases (Note 5)	18
Total amount recognised in profit or loss	423

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 32(b).

Lease liabilities bear interest ranging from 2.70% to 10.81% per annum.

<u>Hire purchase creditors</u>

As at 31 March 2019, the Group has finance leases for office equipment and motor vehicle and these expire over various dates till 2024.

21. Leases (cont'd)

Hire purchase creditors (cont'd)

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

	Group	
	Minimum payments 2019 $'000	Present value of payments 2019 $'000
Within 1 year	97	84
After 1 year but not more than 5 years	226	194
Total minimum lease payments	323	278
Less: Amounts representing finance charges	(45)	–
Present value of minimum payments	278	278

22. Trade payables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables	10,080	7,029	–	–
Other payables and accruals (Note 23)	4,237	4,297	514	301
Total trade and other payables	14,317	11,326	514	301
Less:				
Withholding tax payable (Note 23)	(472)	(1,464)	–	–
Deferred income (Note 23)	(73)	(26)	–	–
Total trade and other payables, at amortised cost	13,772	9,836	514	301

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

Subsequent to year-end, a supplier has written to a subsidiary of the Group seeking immediate repayments for overdue balances of $4,236,000. The Group is currently in negotiations with the supplier on a repayment plan for the overdue amounts.

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

	Group	
	2020 $'000	2019 $'000
United States Dollar	597	224
Euro	194	229
British Pound	58	74

23. Other payables and accruals

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Accruals	1,419	661	241	205
Deferred income	73	26	–	–
Sundry payables	1,366	1,244	273	96
Withholding tax payable	472	1,464	–	–
Advances from directors	907	902	–	–
	4,237	4,297	514	301

Advances from directors

Advances from directors are unsecured, non-interest bearing and repayable on demand.

24. Amount due to non-controlling interests

Amount due to non-controlling interests are non-trade in nature, unsecured, interest-free and not repayable within 12 months from the date of issue of these financial statements.

25. Loans and borrowings

		Group		Company	
	Maturity	2020	2019	2020	2019
		$'000	$'000	$'000	$'000
Current:					
Bank overdrafts (Note 20)	On demand	3,377	3,359	–	37
Term loans from banks	FY2021	14,859	15,443	–	–
Trust receipts	FY2021	2,514	2,412	–	–
Shareholder loan	FY2021	780	500	780	500
Non-convertible bonds					
- Guaranteed bonds	FY2021	268	219	–	–
- Non-guaranteed bonds	FY2021	–	600	–	600
Total loans and borrowings		21,798	22,533	780	1,137

Bank overdrafts

Bank overdrafts bear interest at 5.75% to 9.75% p.a. (2019: 5.39% to 9.75% p.a.), are repayable on demand and are secured by fixed deposits amounting to $717,000 (2019: $653,000) (Note 20).

Term loans from banks

Term loans from banks bear interest ranging from 2.78% to 9.50% p.a. (2019: 2.39% to 9.50% p.a.) and are secured by first fixed charge over certain property, plant and equipment (Note 9) and corporate guarantee provided by the Company and certain subsidiaries.

25. Loans and borrowings (cont'd)

Trust receipts

Trust receipts bear interest ranging from 2.07% to 3.89% p .a. (2019: 2.73% to 5.16% p.a.) and are secured by fixed deposits amounting to $717,000 (2019: $653,000) (Note 20), first fixed charge over certain property, plant and equipment (Note 9) and corporate guarantee provided by the Company and certain subsidiaries.

Shareholder loan

The Company has loans of $300,000 and $480,000 from two shareholders (2019: $500,000 from 1 shareholder) that is non-interest bearing and unsecured. The loans are repayable on 20 September 2020 and repayable on demand respectively.

Guaranteed bonds

As at 31 March 2020, the Group had non-convertible guaranteed bonds amounting to $100,000, $100,000 and $68,000 which are due on 30 September 2020, 30 April 2020 and 5 June 2020 respectively (2019: $119,000 and $100,000 which are due on 30 September 2019 and 30 April 2020 respectively). These bonds bear interest at 10 % (2019: 10%) per annum. The interest is payable semi-annually in arrears. The bonds are guaranteed either by the Company and a subsidiary.

Subsequent to year-end, the maturity of the bonds due on 30 April 2020 amounting to $100,000 was extended till 30 April 2021 while the bonds due on 5 June 2020 amounting to $68,000 was repaid in full.

Non-guaranteed bonds

As at 31 March 2020, the Group had fully repaid all non-convertible bonds amounting to $600,000 which were due on 18 March 2020. These bonds bear interest of 0% p.a. (2019: 0% p.a.) which is payable semi-annually in arrears. The Group was also entitled to the early redemption of these bonds, in whole or in part, at 100.0% of its principal amount.

As at 31 March 2020, a subsidiary did not meet certain financial covenants on certain banking facilities with a bank, of which the outstanding loans and borrowings amounted to $493,000. Management has commenced discussions with the bank to seek a waiver of the financial covenants that have not been met.

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	1 Apr 2019	Cash flows	Adoption of SFRS(I) 16	New leases during the year	Foreign exchange movement	31 Mar 2020
	$'000	$'000	$'000	$'000	$'000	$'000
Term loans from bank (current)	15,443	(625)	–	–	41	14,859
Trust receipts	2,412	102	–	–	–	2,514
Shareholder loan	500	280	–	–	–	780
Non-convertible bonds (current)	819	(555)	–	–	4	268
Lease and hire purchase liabilities	278	(238)	1,852	193	(3)	2,082
	19,452	(1,036)	1,852	193	42	20,503

26. Deferred tax liabilities

Deferred tax as at 31 March relates to the following:

	Group and Company	
	2020	2019
	$'000	$'000
Deferred tax liabilities		
Differences in depreciation for tax purposes	120	47

Unrecognised temporary differences relating to investments in subsidiaries and associates

As at 31 March 2019 and 31 March 2020, 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 is insignificant.

27. Share capital

	Group and Company			
	2020		2019	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 April	1,556,463	50,585	1,324,463	46,757
Issuance of new shares	–	–	232,000	3,828
At 31 March	1,556,463	50,585	1,556,463	50,585

On 26 October 2018, the Company issued 232,000,000 new ordinary shares at $0.0165 per share.

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.

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.

27. Share capital (cont'd)

The Asiatic Performance Share Plan 2013 (the "Plan") (cont'd)

(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% of 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.

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	
	2020	**2019**
	$'000	**$'000**
At 1 April	(1,274)	(2,487)
Net effect of exchange differences arising from translation of financial statements of foreign operations	1,434	1,147
Share of other comprehensive income of associate	–	64
SFRS(I) 9 adjustment	–	2
At 31 March	160	(1,274)

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	
	2020	2019
	$'000	$'000
Purchase of goods from a firm related to a director	57	8
Sale of goods to a firm related to a director	32	–

(b) Directors' and executive officers' remuneration *

	Group	
	2020	2019
	$'000	$'000
Directors' remuneration	620	673
Executive officers' remuneration	635	686

* Included in the above remuneration for the Group is payment for defined contribution plans of $44,000 as at 31 March 2020 (2019: $64,000).

(c) Others

In 2019, the Company paid bond interest and redemption premium amounting to $8,000 to a director who is also a Guarantee Bonds Subscriber (Note 25) for a principal amount of $100,000 as at 31 March 2019.

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	
	2020	2019
	Number of directors	Number of directors
$250,000 - $499,999	1	1
Below $250,000	5	4
Total	6	5

31. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US$10.6 million (2019: US$10.6 million), $27.2 million (2019: $27.1 million) has been provided by the Company to financial institutions to secure banking facilities granted to its subsidiaries. The Company had also provided a corporate guarantee of RM195.5 million (2019: RM195.5 million) to a financial institution to secure banking facilities granted to an associate.

Legal claims

Colben Energy Holdings (Maju Intan) Ltd, an indirect wholly owned subsidiary which is registered as a foreign branch in Malaysia had on 18 March 2020 received a writ of summons to attend in the High Court of Ipoh, Perak, Malaysia from Guan Heng Construction Sdn Bhd for the recovery of their principal sum for civil & construction, piling cost, accrued interest and any other cost amounting to approximately $1,206,000. A Statement of Defence and Counterclaim has been filed by Colben Energy Holdings (Maju Intan) Ltd on 22 June 2020 to make a counterclaim against Guan Heng Construction Sdn Bhd.

32. Financial risk management objectives and policies

The Group and the Company are 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 exposure to credit risk arises primarily from trade receivables and amounts due from associates. The Company's exposure to credit risk arises from amounts due from subsidiaries. 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.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on the trade receivables to be 365 days past due with no recent transactions.

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

(a) Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

- Actual or expected significant changes in the operating results of the borrower

- Significant increases in credit risk on other financial instruments of the same borrower

The Group determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the issuer or the borrower

- A breach of contract, such as a default or past due event

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

The Group considers categorising a loan or receivables for potential write-off when a debtor fails to make contractual payments for receivables that are more than a year past due. Financial assets are written off when there is no reasonable expectation of recovery. When loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in profit or loss.

<u>Trade receivables</u>

The Group has determined that the expected credit losses for all trade receivables from the Power-related segment to be insignificant.

The Group provides for lifetime expected credit losses for all trade receivables from the Fire-fighting segment using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 March 2020 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast industry performance.

Summarised below is the information about the credit risk exposure on the Group's trade receivables from the Fire-fighting segment using provision matrix:

	Current	Past due between 1 – 30 days	Past due between 31 – 60 days	Past due between 61 – 90 days	More than 91 days past due	Total
31 March 2020						
Gross carrying amount	2,081	1,359	357	261	1,091	5,149
Loss allowance provision	(12)	(2)	(2)	(18)	(349)	(383)
31 March 2019						
Gross carrying amount	1,111	631	892	403	682	3,719
Loss allowance provision	(6)	(4)	(6)	(25)	(219)	(260)

Information regarding loss allowance movement of trade receivables are disclosed in Note 16.

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.

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

- The carrying amount of each class of financial assets recognised in the balance sheets.
- Notional amounts of US$10.6 million (2019: US$10.6 million), $27.2 million (2019: $27.1 million) and RM195.5 million (2019: RM195.5 million) relating to corporate guarantees provided by the Company to financial institutions.

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:

	2020		2019	
	$'000	% of total	$'000	% of total
By country:				
Singapore	4,360	48	3,150	39
Cambodia	4,295	47	4,667	57
Indonesia	222	3	222	3
Others	184	2	93	1
	9,061	100	8,132	100
By industry sectors:				
Fire fighting and protection	4,766	53	3,459	43
Power related	4,295	47	4,673	57
	9,061	100	8,132	100

As at balance sheet date, approximately 24% (2019: 35%) of the Group's trade receivables were due from 2 major customers who are located in Cambodia.

(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.

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

(b) Liquidity risk (cont'd)

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.

Analysis of financial instruments by remaining contractual maturities

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

	1 year or less $'000	1 to 5 years $'000	5 years or more $'000	Total $'000
Group				
31 March 2020				
Financial liabilities:				
Trade and other payables	13,772	–	–	13,772
Loans and borrowings	22,856	–	–	22,856
Lease and hire purchase liabilities	386	762	3,038	4,186
Amount due to non-controlling interests	–	2,872	–	2,872
Total undiscounted financial liabilities	37,014	3,634	3,038	43,686
31 March 2019				
Financial liabilities:				
Trade and other payables	9,836	–	–	9,836
Loans and borrowings	23,576	–	–	23,576
Lease and hire purchase liabilities	97	226	–	323
Amount due to non-controlling interests	–	3,193	–	3,193
Total undiscounted financial liabilities	33,509	3,419	–	36,928
Company				
31 March 2020				
Financial liabilities:				
Other payables	514	–	–	514
Amount due to subsidiary	9,238	–	–	9,238
Loans and borrowings	780	–	–	780
Total undiscounted financial liabilities	10,532	–	–	10,532
31 March 2019				
Financial liabilities:				
Other payables	301	–	–	301
Amount due to subsidiary	6,390	–	–	6,390
Loans and borrowings	1,137	–	–	1,137
Total undiscounted financial liabilities	7,828	–	–	7,828

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.

	1 year or less $'000	1 to 5 years $'000	5 years or more $'000	Total $'000
31 March 2020				
Group				
Financial guarantees	3,983	2,980	22,050	29,013
Company				
Financial guarantees	25,001	2,980	22,050	50,031
31 March 2019				
Group				
Financial guarantees	3,781	2,992	24,372	31,145
Company				
Financial guarantees	25,177	2,992	24,372	52,541

(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

As at 31 March 2020, if SGD and USD interest rates had been 75 basis points lower/higher with all other variables held constant, the Group's loss net of tax for the year ended 31 March 2020 would have been $111,000 and $16,000 lower/higher (2019: $116,000 and $21,000) respectively, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing loans and borrowings and 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, trade receivables, trade payables and loans and borrowings denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances (mainly in USD) amount to a net liabilities of $821,000 (2019: $798,000) for the Group. The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Cambodia and Malaysia.

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

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

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

	Group	
	Loss before tax	
	2020	**2019**
	$'000	**$'000**
USD		
strengthened by 5% (2019: 5%)	+41	+40
weakened by 5% (2019: 5%)	-41	-40

33. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table presents the assets measured at fair value at the end of each reporting period:

	Group	
	2020	**2019**
	$'000	**$'000**
Assets measured at fair value (Level 3)		
Financial assets:		
Other investments		
- Unquoted convertible bonds	–	1,361
- Key-man insurance	161	161
	161	1,522

The Group does not have any liabilities measured at fair value.

There have been no transfers between Level 1, Level 2 and Level 3 for the Group.

33. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements

Unquoted convertible bonds

The debt component of the convertible bonds was valued using the discounted cash flow method while the derivative component of the convertible bonds was valued using the Binomial Option Pricing model. As at 31 March 2019, the fair value of the derivative component was not significant. For the debt component, the unobservable input is the discount rate applied to the discounted cash flow ranging from 12% to 15% as at 31 March 2019. A higher discount rate applied would result in a significant decrease in the fair value of the unquoted convertible bond. In order to determine the effect of the above reasonably possible alternative assumptions, the Group has adjusted the discount rate by 0.8%. An increase/decrease of 0.8% on the discount rate would result in an increase/decrease of $86,700 in the Group's 2019 loss after tax.

Following the proposed disposal of the MJE Interests (Note 14) for a nominal sum of RM1, the fair value of the unquoted convertible bonds as at 31 March 2020 was assessed to be immaterial.

Key-man insurance

The fair value of the key-man insurance is based on total surrender value of the contract stated in the annual statement of the policies, which is categorised within Level 3 of the fair value hierarchy. An increase/decrease of 5% in the surrender value of the policy would result in an increase/decrease of $8,000 in profit after tax (2019: $8,000 in other comprehensive income).

The above unlisted investment at 31 March 2020 was classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

(d) 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, 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.

(e) 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 non-controlling interests

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.

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 2020 and 31 March 2019.

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.

	Group	
	2020	**2019**
	$'000	**$'000**
Loans and borrowings (Note 25)	21,798	22,533
Trade and other payables (Note 22 and 23)	14,318	11,326
Lease and hire purchase liabilities (Note 21)	2,082	278
Amount due to a related company	2,872	3,193
Less: Cash and short-term deposits	(1,838)	(1,166)
Net debt	39,232	36,164
Total equity	36,076	47,897
Capital and net debt	75,308	84,061
Gearing ratio	52.1%	43.0%

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

35. Segment information (cont'd)

(a) Business segment (cont'd)

	Fire-fighting		Power-related		Adjustments and eliminations		Note	Per consolidated financial statements	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000		2020 $'000	2019 $'000
Revenue	18,342	14,572	29,674	23,094	–	–		48,016	37,666
Results:									
Other income	180	140	50	307	(45)	(45)	A	185	402
Interest income	–	–	30	29	–	–		30	29
Impairment of financial asset	(123)	(89)	(12,816)	(9,850)	–	–		(12,939)	(9,939)
Depreciation of property, plant and equipment	(304)	(417)	(2,277)	(2,179)	–	–		(2,581)	(2,596)
Finance costs	(224)	(135)	(565)	(620)	–	–		(789)	(755)
Segment profit/(loss)	1,379	823	(13,300)	(17,235)	(789)	(3,074)	B	(12,710)	(19,486)
Assets:									
Investment in associates	–	–	–	–	–	–		–	–
Additions to property, plant and equipment	110	438	60	15	–	–		170	453
Additions to right-of-use assets	207	–	–	–	–	–		207	–
Segment assets	33,539	30,873	63,790	74,004	(18,755)	(18,891)	C	78,574	85,986
Segment liabilities	18,321	16,675	62,580	60,565	(38,403)	(39,151)	D	42,498	38,089

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit/(loss) to arrive at "loss before tax" in the consolidated income statement:

	2020 $'000	2019 $'000
Share of results of associates	–	(2,319)
Finance costs	(789)	(755)
	(789)	(3,074)

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

	2020 $'000	2019 $'000
Inter-segment assets	(18,984)	(19,117)
Goodwill	175	175
Unallocated assets	54	51
	(18,755)	(18,891)

35. Segment information (cont'd)

(a) Business segment (cont'd)

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

	2020 $'000	2019 $'000
Inter-segment liabilities	(40,646)	(40,764)
Income tax payables	1,309	712
Unallocated liabilities	814	854
Deferred tax liabilities	120	47
	(38,403)	(39,151)

(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
2020				
Revenues	15,812	29,512	2,692	48,016
Non-current assets	8,469	52,947	–	61,416
2019				
Revenues	12,893	22,937	1,836	37,666
Non-current assets	7,243	52,194	11,541	70,978

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

Information about major customers

Revenue from two major customers amount to $12,586,000 (2019: $10,390,000), arising from sales by the power related segment.

36. Authorization of financial statements

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 2 September 2020.

SHAREHOLDERS' INFORMATION

As at 21 August 2020

Issued and fully Paid-up Capital	:	S$52,262,469.75
Number of Ordinary Shares in Issue (excluding treasury shares)	:	1,556,462,688
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings 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	77	6.13	2,359	0.00
100 - 1,000	105	8.36	81,953	0.00
1,001 - 10,000	181	14.41	907,253	0.06
10,001 - 1,000,000	776	61.78	138,513,465	8.90
1,000,001 AND ABOVE	117	9.32	1,416,957,658	91.04
TOTAL	**1,256**	**100.00**	**1,556,462,688**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 August 2020[1])

	Direct Interest		Deemed Interest	
Name of Substantial Shareholder	**No. of shares**	**Percentage (%)**	**No. of Shares**	**Percentage (%)**
SINCOM HOLDINGS PTE. LTD.	232,000,000	14.91	–	–
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	94,000,000	6.04	–	–
TAN BOON KHENG	141,156,004	9.07	–	–
TAN BOON SIANG	140,232,000	9.01		
LIM BOON HOCK BERNARD	80,000,000	5.14	–	–
STEPHEN LEONG[2]	–	–	232,000,000	14.91

Notes:

(1) Based on the total issued share capital of 1,556,462,688 ordinary shares of the Company as at 21 August 2020.

(2) Mr Stephen Leong is sole director and sole shareholder of Sincom Holdings Pte. Ltd. ("Sincom") and is deemed interested in 232,000,000 ordinary shares held by Sincom.

As at 21 August 2020

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SINCOM HOLDINGS PTE. LTD.	232,000,000	14.91
2	TAN BOON KHENG	141,156,004	9.07
3	TAN BOON SIANG	140,232,000	9.01
4	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	94,000,000	6.04
5	LIM BOON HOCK BERNARD	80,000,000	5.14
6	TAN AH KAN @TAN KOW LA	74,526,700	4.79
7	TAN BOON YEW	69,836,000	4.49
8	BRIAN CHANG HOLDINGS (S) PTE LTD	61,419,344	3.95
9	UOB KAY HIAN PRIVATE LIMITED	43,060,000	2.77
10	TNG BENG CHOON	38,530,100	2.48
11	TAN AH SOI	32,435,996	2.08
12	CHEN PENG SONG	23,510,500	1.51
13	CHUA KENG LOY	23,166,000	1.49
14	LEE FOOK CHOY	20,000,000	1.28
15	TOH TIEW KEONG	15,080,700	0.97
16	YEO YUEK LAN	14,612,000	0.94
17	DBS NOMINEES (PRIVATE) LIMITED	12,209,166	0.78
18	OCBC SECURITIES PRIVATE LIMITED	10,776,510	0.69
19	TAN BOON SAI (CHEN WENSAI)	10,299,000	0.66
20	CHEW GIM THONG @ CALVIN CHEW	10,000,000	0.64
	TOTAL	1,146,850,020	73.69

PUBLIC FLOAT

Based on the information available to the Company as at 21 August 2020, approximately 44.42% of the Company's shares are held in the hands of the public. Accordingly the Company has complied with Rule 723 of the Listing Manual, Section B: Catalist issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Asiatic Group (Holdings) Limited (the "**Company**") will be convened and held by way of electronic means on Thursday, 24 September 2020 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to the Company's Constitution:

Mr Tay Kah Chye	(Retiring under Regulation 103)	**(Resolution 2)**
Mr Tan Boon Kheng	(Retiring under Regulation 103)	**(Resolution 3)**
Mr Yip Mun Foong James	(Retiring under Regulation 107)	**(Resolution 4)**

*Mr Tay Kah Chye, if re-elected, will remain as the Independent Chairman of the Board, Chairman of the Audit and Risk Committee, and a member of the Remuneration Committee and Nominating Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").*

Mr Tan Boon Kheng, if re-elected, will remain as the Managing Director and a member of the Nominating Committee of the Company.

Mr Yip Mun Foong James, if re-elected, will remain as an Independent Director, and a member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The profiles of the above-mentioned directors can be found under the section entitled "Board of Directors" in the Annual Report.

3. To approve the payment of Directors' fees of up to S$85,000 for the year ended 31 March 2020. (FY2019: S$80,000). **(Resolution 5)**

4. To approve the payment of Directors' fees of up to S$105,000 for the year ending 31 March 2021, to be paid quarterly in arrears. **(Resolution 6)**

5. To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares and /or convertible securities**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and subject to the Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to allot and issue:

(a) shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise;

(b) convertible securities;

(c) additional convertible 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),

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 and subsidiary holdings) 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 per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) 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-paragraph (i) and (ii) above, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the date this Resolution is passed after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance to sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(v) (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 8)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore
4 September 2020

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Note:

1. Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of the above Annual General 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 and subsidiary holdings) 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 and subsidiary holdings) 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 earlier.

   For the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this proposed ordinary resolution is passed after adjusting for (i) new shares arising from the conversion or exercise of convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution 8.

IMPORTANT NOTICE FOR SHAREHOLDERS:

Due to current COVID-19 situation, the Company's AGM is being convened, and will be held, by electronic means pursuant to the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Order**") and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".

Shareholders should take note of the following arrangements for the AGM:

(a) **Participation in the AGM via live webcast**

The AGM will be conducted only by electronic means, and shareholders will **not** be able to attend the AGM in person. Shareholders will also **not** able to vote online on the resolutions to be tabled for approval at the AGM. Shareholders may participate in the AGM by:-

(i) Observing and/or listening to the proceedings of the AGM through a "live" webcast comprising both video (audio-visual) and audio-only feeds ("**Live Webcast**");

(ii) Submitting questions in relation to any agenda item in this notice of AGM in advance of the AGM; and

(iii) Appointing the chairman of the AGM ("**Chairman**") as proxy to vote on their behalf in accordance with their vote instructions.

Details of the steps for pre-registration, pre-submission of questions and voting at the AGM are set out in items (b) to (e) below.

(b) **Pre-registration for AGM Live Webcast**

All Shareholders as well as investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**Investors**") and who wish to follow the proceedings of the AGM through the Live Webcast must pre-register online at https://sg.conveneagm.com/asiaticgroup by 21 September 2020, 10.30 a.m. ("**Pre-Registration Deadline**") for verification purposes. Following successful verification, an email with instruction on how to join the Live Webcast will be sent to the registered Shareholders and Investors via email by 22 September 2020, 10.30 a.m. Shareholders must not forward the email instruction to other persons who are not shareholders and who are not entitled to attend the AGM Live Webcast. This is also to avoid any technical disruptions or overload to the Live Webcast.

Shareholders and Investors who have pre-registered by the Pre-Registration Deadline but did not receive the aforementioned email by 22 September 2020, 10.30 a.m should contact the Company by email to agm@asiatic.com.sg.

(c) **Submission of Questions**

Shareholders and Investors will not be able to ask questions during the AGM Live Webcast.

Shareholders and Investors who have questions in relation to any agenda item in this notice of AGM can submit their questions to the Company in advance, by 22 September 2020, 10.30 a.m., through any of the following means:

(i) Via the pre-registration website at the URL https://sg.conveneagm.com/asiaticgroup;

(ii) by email to agm@asiatic.com.sg; or

(iii) by post, to be deposited at the Company's registered office at 65 Joo Koon Circle, Singapore 629078.

Shareholders and Investors must identify themselves when posting questions through email or mail by providing the following details:

(i) Full Name;

(ii) Contact Telephone Number;

(iii) Email Address; and

(iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will endeavour to respond to substantial and relevant questions either prior to the AGM (via an announcement on SGXNet and corporate website) or at the AGM.

(d) **Voting at the AGM by appointing Chairman as Proxy (Submit a Proxy Form)**

For Investors who hold shares through relevant intermediaries please refer to item (e) for the procedures to vote at the AGM.

Shareholders will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf. Duly completed Proxy Forms must be submitted through any of the following means not later than **22 September 2020, 10.30 a.m.** (being no later than forty-eight (48) hours before the time appointed for holding the AGM):

(i) by email, a copy to agm@asiatic.com.sg; or

(ii) by post, be deposited at the Company's registered office at 65 Joo Koon Circle, Singapore 629078.

The proxy form has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www2.sgx.com/securities/company-announcements and http://www.asiatic.com.sg/. A printed copy of the proxy form will NOT be despatched to shareholders.

In appointing the Chairman of the Meeting as proxy, the Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(e) **Voting at the AGM by Relevant Intermediary Investors and CPF/SRS Investors**

Relevant Intermediary Investors (including CPF/SRS investors) who wish to appoint Chairman as their proxy to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes by 14 September 2020, 10.30 a.m., being at least seven (7) working days before the AGM.

In line with the provisions under the Order, no printed copies of the documents and information relating to the AGM (including the Annual Report FY2020, Notice of AGM and Proxy Form) will be despatched to Shareholders. These documents have been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

(a) https://www2.sgx.com/securities/company-announcements; or

(b) http://www.asiatic.com.sg/

Personal Data Privacy

"**Personal data**" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting (a) an application to pre-register for participation in the AGM via the Webcast; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing Chairman of the meeting as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company hereby consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) for the purposes of, (i) verifying the member's information and processing of the member's application to pre-register to participate in the AGM via the Webcast and providing the member with any technical assistance where possible; (ii) addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member; (iii) the processing and administration by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) of proxy forms appointing Chairman of the meeting for the AGM (including any adjournment thereof); and (iv) the preparation, compilation and disclosure (as application) of the attendance lists, minutes, questions from members and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ASIATIC GROUP (HOLDINGS) LIMITED

(Company Registration No: 200209290R)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 4 September 2020 which has been uploaded on SGXNet and the Company's website on the same day.
2. A shareholder will not be able to attend the AGM in person. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. For CPF, or SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM. 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.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 September 2020.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a shareholder's proxy to vote on his/her/its behalf at the AGM.

*I/We, ______________________________ (Name) ____________________ (*NRIC/Passport/Registration No.)

of ____ (Address)

being a *shareholder/shareholders of **ASIATIC GROUP (HOLDINGS) LIMITED** (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means via live webcast on Thursday, 24 September 2020 at 10.30 a.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder.

 # (Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2020			
2.	Re-election of Mr Tay Kah Chye as a Director			
3.	Re-election of Mr Tan Boon Kheng as a Director			
4.	Re-election of Mr Yip Mun Foong James as a Director			
5.	Approval of Directors' fees for the financial year ended 31 March 2020 amounting to S$85,000.			
6.	Approval of Directors' fees for the financial year ending 31 March 2021 amounting to S$105,000, payable quarterly in arrears			
7.	Re-appointment of Messrs Ernst & Young LLP as Auditors			
8.	Authority to allot and issue Shares and/or convertible securities			

** Delete where inapplicable*

Dated this ________ day of ______________ 2020

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf for this Proxy Form.

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 81SF of the Securities and Future Act (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you.

(2) A shareholder will not be able to vote through the live webcast and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(3) The Chairman of the Meeting, as a proxy, need not be a member of the Company.

(4) The instrument appointing Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) Where this instrument appointing Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

(6) If the Chairman of the Meeting as proxy is to be appointed, the instrument appointing the Chairman of the Meeting as proxy, duly executed, must be submitted through any of the following means not later than forty-eight (48) hours before the time appointed for holding the AGM:

(i) by email a copy to agm@asiatic.com.sg; or

(ii) by post, be deposited at the Company's registered office at 65 Joo Koon Circle, Singapore 629078.

(7) The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy 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 Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment the Chairman of the Meeting as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Depositor Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting a proxy form appointing Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 September 2020.

Asiatic Group

ASIATIC GROUP (HOLDINGS) LIMITED

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