Asiatic Group

ASIATIC GROUP (HOLDINGS) LIMITED

INNOVATING FOR SUSTAINABILITY

ANNUAL REPORT 2023

ABOUT ASIATIC GROUP

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

•FIRE PROTECTION SOLUTIONS
•ENERGY SERVICES

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 SERVICES

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.

CONTENTS

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

MESSAGE TO SHAREHOLDERS

TAY KAH CHYE
Independent Chairman of the Board

TAN BOON KHENG
Managing Director

> **"The financial year ended 31 March 2023 saw the Group laying foundations to further strengthen our fire protection solutions business."**

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS

The financial year ended 31 March 2023 ("FY2023") saw a recovery in both of the Group's business divisions namely "Fire Protection Solutions" and "Energy Services". The Group has also been making strategic decisions to tap on the recovery of the Fire Protection Solutions division by expanding its capabilities in relevant areas of opportunity. These will be elaborated on in the later section of this statement.

Business and Financial Review

We recorded a 12.5% rise in revenue from S$36.7 million in FY2022 to S$41.3 million in FY2023. Our Fire Protection Solutions division saw an increase in revenue, from S$20.1 million in FY2022 to S$21.1 million in FY2023, representing a 5% increase from the previous year. This was largely attributable to the increase in revenue from the marine sector, following the recovery of the marine industry. The Group will tap on the recovery of the marine industry to further drive the growth of our Fire Protection Solutions division.

As to the Energy Services division, the increase was mainly due to the recovery of the electricity demand from tenants in the Special Economic Zone power plant compared to the previous financial year ("FY2022") when it had been impacted by the COVID-19 lockdown measures that were implemented in Cambodia during the period. As a result, our Energy Services division saw a 21.7% increase in revenue, from S$16.6 million in FY2022 to S$20.2 million in FY2023.

With the easing of restrictions and resumption of business activities as the world adapts to living with the ongoing COVID-19 pandemic, economies have been seeing a slow but gradual recovery. In this vein, the government has decreased its government grants to support companies through the pandemic and business slowdown, which translated to a decrease in other income for FY2023.

In line with the increase in revenue in both the Fire Protection Solutions and Energy Services divisions, the Group recorded an increase in cost of sales from S$25.8 million in FY2022 to S$27.8 million in FY2023. Other operating expenses decreased by 15.3% during FY2023, and overall, the Group recorded a loss after tax of S$4.6 million in FY2023, narrowed from the loss after tax of S$11.4 million in FY2022.

Developments Regarding MJE

Following the acceptance of the Group's settlement proposal of Maju Intan Biomass Energy Sdn. Bhd. ("MJE")'s bank, Colben Energy Holdings (Maju Intan) ("CEH") has entered into a share purchase agreement with Etagreen Management Sdn. Bhd. ("Etagreen" or "EM"), in which CEH will transfer its entire 30% equity interest in MJE to EM for a nominal cash consideration of RM 10.00.

Under the agreement with EM, the Group will have to repay approximately 35% of the settlement sum for MJE, including its share of costs. Meanwhile, the Company recognised a one-time expense of RM20.7 million and fund its share of payments from the proceeds of the rights issue exercise approved by the shareholder at the extraordinary general meeting held on 22 June 2023, details as announced in the Circular to Shareholders dated 7 June 2023, and internal resources, if applicable.

Upon completion of the agreement, the Group will dispose all its shareholdings in MJE, release the Group from its financial guarantee provided to MJE's bank and allow the Group to return its focus and resources on its Fire Protection Solutions division, which has been seeing an upturn in revenue and profits.

Developments Regarding Colben PPSEZ

The Group's interest in the Special Economic Zone power plant project in Phnom Penh, Cambodia, is held through Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ"), a 49%-owned indirect subsidiary of the Company, held by Colben Energy Holdings (PPZEZ) Limited ("CEHZ"), a 95% indirect subsidiary of the Company. On 21 February 2023, Colben PPSEZ received a letter ("Letter") from its joint venture partner, Phnom Penh SEZ Plc, ("PPSEZ"), to effectively remove its current management and be replaced with the management from PPSEZ; and for PPSEZ, which is officially amended to Royal Group Phnom Penh SEZ Plc ("RGPPSEZ"), as shareholders of 51% of the shares of Colben PPSEZ, to take control over Colben PPSEZ with immediate effect (collectively, the "Request Agendas").

MESSAGE TO SHAREHOLDERS

This led to a series of legal actions undertaken by the Group, including, amongst which, engaging a law firm in Cambodia ("Legal Representative") to act on behalf of CEHZ on the matter; delivering a formal notice to RGPPSEZ through CEHZ exercising its full rights under the Shareholders Agreement and the associated agreements for immediate conversion of the outstanding loan amount totalling US$5.9 million owed by RGPPSEZ to CEHZ; and filing an action in the Singapore High Court seeking injunctions to restrain RGPPSEZ from further detrimental actions. For detailed information, please refer to the related announcements on the SGX website.

The Group will continue with its efforts to enforce its legal rights against RGPPSEZ under the Shareholders Agreement and Joint Venture Agreement and will make further announcements to update shareholders of any material developments.

Tapping on Growth Potential

With the recovery of the Fire Protection Solutions division, the Group established a new marine technical department in July 2022 with some headcount to tap on the recovery of the marine and industrial sectors. This in turn strengthens the Group's ability to take advantage on the recovery of this sector.

The Group is also in the preliminary stages of participating in a new project to develop a smart system that would incorporate its existing Fire Protection Solutions division as part of a smart control of systems in buildings. Users of this smart system will be able to reduce energy costs in the long run. We are currently working with our partners on this intelligence system and will update shareholders of any notable developments when further details become available.

Tapping on these growth opportunities, we leverage on our established expertise and experience to explore new avenues, thereby improving and further strengthening our foundations in the Fire Protection Solutions division while maintaining our industry standing.

Outlook

Singapore's Ministry of Trade and Industry has forecast that Singapore's GDP growth for the year 2023 is projected to be at 0.5 to 2.5 per cent, as compared to the approximate 3.5 per cent growth forecast for 2022 that was updated in November 2022[1]. This is in light of the sharp slowdowns projected in the US and Eurozone, combined with the ongoing global supply disruptions that are likely to carry on into 2023 as a result of the Russia-Ukraine war. The geopolitical tensions among major global powers are expected to worsen supply chain disruptions, thereby dampening consumer and business confidence, while weighing heavily on global travel.

As a result of the ongoing geopolitical tensions and uncertain economic environment, the Group continues to face challenges from the global rising costs and continuing inflationary pressures, despite the improvement in our Fire Protection Solutions division in its extensive gross margin review exercise. The Group will continue to stay vigilant in order to proactively manage and mitigate the impact of rising costs, as well as monitor its cash flow and implement the necessary measures to mitigate the impact of our businesses from the impact of these challenges.

Acknowledgements

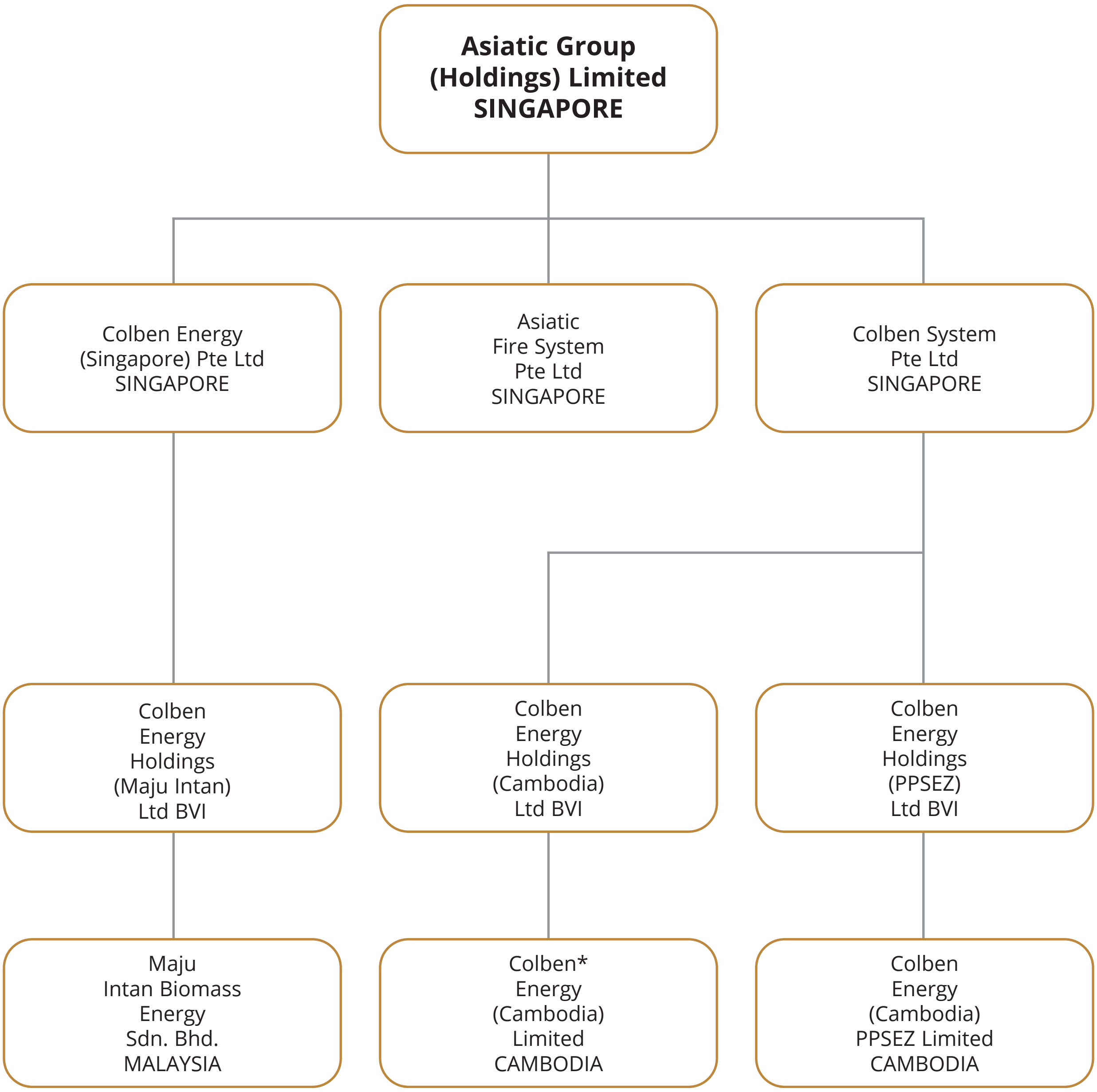
We would like to express our warm gratitude to our business partners, management, staff and shareholders for their continued support through another year of uncertainty. The Group will continue to seek strategic partnerships to diversify and strengthen our businesses and forge ahead towards sustainable growth.

TAY KAH CHYE
Independent Chairman

TAN BOON KHENG
Managing Director

[1] https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2022/Economic-Survey-of-Singapore-Third-Quarter-2022/PR_3Q22.pdf

CORPORATE STRUCTURE



* Ceased operation in FY2022

FIRE PROTECTION SOLUTIONS AND ENERGY SERVICES

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 SERVICES

Our energy services 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.

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.

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 2023 ("FY2023"), the Group's revenue increased by 12.5% to S$41.3 million from S$36.7 million recorded in FY2022. The increase in revenue was led mainly by the Fire Protection Solutions division, due to a higher revenue contribution from the marine sector following the recovery of the marine industry. The Energy Services division also saw a recovery in the demand for electricity from tenants in the Special Economic Zone power plant, leading to an increase in revenue for this division.

Profitability

In line with the increase in revenue from both the fire protection solutions and energy services business divisions, cost of sales also increased by 7.6% from FY2022. The increase in costs was slightly increased compared to the increase in revenue, from S$25.8 million in FY2022 to S$27.8 million in FY2023, mainly due to the continued improvement in gross margins for the fire protection solutions division as a result of the extensive gross margin review exercise carried out by the division to maximise competitiveness and profitability. In contrast, the Group's other income continued to decrease from S$0.8 million in FY2022 to S$0.3 million in FY2023, mainly due to the decrease in Singapore's government grants for alleviating the financial impact of COVID-19 with the lifting of restrictions on business operations.

The Group recorded a foreign exchange loss of S$1.9 million as a result of receivables from subsidiaries that were denominated in MYR that depreciated against SGD in the financial year.

Staff costs increased for FY2023 due to the Group's creation of a new technical department in July 2022 and the corresponding increase in headcount. This new department was conceived to support further expansion plans to boost the Group's market competitiveness in the fire protection solutions division, in order to increase its revenue in the recovering marine and industrial sectors.

The Group recorded a lower depreciation of property, plant and equipment after recognition of the impairment of S$10.8 million recorded on the Special Economic Zone power plant in FY2022.

Meanwhile, as part of the Group's co-funding of the settlement sum with MJE's bank, the waiver of rights to pre-paid advance to MJE of RM 4.0 million that was previously deposited in MJE's bank account to facilitate the negotiation with MJE's Bank and the provision of remaining settlement sum of RM16.7 million has resulted in an expected credit loss on financial guarantee provided to an associated company of S$6.3 million (equivalent to RM20.7 million). The reversal of impairment of financial assets is resulted from repayment by MJE to the Group during the financial year. The amount was previously impaired.

In FY2023, the Group recorded a decrease in other operating expenses, mainly due to the higher legal costs associated with the final award from the Arbitration with PPSEZ and loss of disposal of property, plant and equipment recorded in FY2023.

Due to a combination of the above factors, the Group's loss after tax decreased from S$11.4 million in FY2022 to S$4.6 million in FY2023.

Movement in comprehensive income

The Group recorded a foreign currency translation gain amounting to S$1.4 million during the financial year mainly due to depreciation of MYR against SGD on the translation of a Malaysian subsidiary with MYR as its functional currency. In comparison, FY2022 recorded a foreign currency translation gain of S$0.4 million, due to the appreciation of MYR and USD against SGD.

Balance Sheet

As at 31 March 2023, non-current assets increased mainly due to the reversal of impairment of property, plant, and equipment of S$1.9 million and purchase of new equipment to support the operations in the fire protection solutions division. This increase was partially offset by the depreciation of property, plant and equipment of S$1.6 million and depreciation of right-of-use assets of S$1.3 million.

During the year, inventories were reduced in order to maintain at an optimal level adequate to meet the demand required to fulfil projects in the fire protection solutions division. The continued effort to improve the turnover days on the trade receivables in the fire protection solutions division also led to a decrease in trade receivables.

OPERATIONS REVIEW

Trade payables for FY2023 increased mainly due to the increase in purchases in both the fire protection solutions and energy services divisions, which was to support the increase in sales in the fire protection solutions division and the recovery of demand for electricity during the financial year. The Group recorded a decrease in current loans and borrowings as a result of repayment of bank overdraft, trust receipts, and term loans from banks during the financial year.

Non-current liabilities also decreased due to the reclassification of the non-current portion of the term loans from banks to current.

As at 31 March 2023, the Group had a net current liabilities position of S$16.2 million arising from previous utilisation of short-term financing to support the energy services division. The higher net current liabilities position was mainly due to the impairment of pre-paid advance of S$1.2 million to MJE's bank, provision for contribution to financial guarantee provided to an associated company of S$5.1 million, and an additional accrual of interest payable of S$0.6 million to a supplier in Cambodia during the financial year.

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 will continue to receive financial support from the banks and generate positive cash flows from its operations in the next twelve months. Furthermore, the Company is positive that the extension of the 30 June 2023 settlement date will be granted by MJE's bank and the SPA and SSA will be completed which will result in the settlement of all outstanding amount owing to MJE's Bank and release of corporate guarantees provided by the Group and Company to MJE's bank.

Cash Flow

For the financial year under review, net cash generated from operating activities totalled S$6.9 million after taking into consideration the working capital and payment of tax. Net cash flow used in investing activities was due to the purchase of property, plant and equipment to support the operations in the fire protection solutions division and payment of financial guarantee provided to an associated company, which was partially offset by the receipt of outstanding receivables arising from the proceeds from the sale of the property, plant and equipment at the Phnom Penh and Sihanoukville power plants.

The Group recorded a net cash outflow from its financing activities arising from the repayments of interest bearing term loans, trust receipts, lease liabilities, advances from related parties, distribution to non-controlling interests of a subsidiary and payment of interest. The outflow is partially offset by the decrease in pledged fixed deposits and net proceeds from issuance of shares during the financial year. As a result, the Group's overall cash balance decreased by S$0.6 million during FY2023.

Outlook

Moving forward, the Group will continue to focus on the expansion of our fire protection solutions business. Currently, the Group is in the preliminary stages of participating in a new project to develop an intelligence system to incorporate the Group's existing fire protection solutions as part of the smart control of mechanical and electrical systems in buildings, as mentioned in the Message to Shareholders section.

Following the acceptance and subsequent to the completion of the settlement proposal that is also detailed in the Message to Shareholders section, the Group and Company shall be discharged of its corporate guarantee provided to the MJE's bank. This would allow the Group to return its focus and resources on its firefighting and protection business, which has been seeing an upturn in revenue and profits.

Nevertheless, while the world adapts to endemic living with COVID-19, challenges in the macroeconomic environment such as continuing inflationary pressures and unceasing rises in global costs remain. Additionally, the ongoing geopolitical tensions from the Russia-Ukraine war continue to dampen business sentiments and drive costs up.

Considering the aforementioned, the Group will remain vigilant and continue to monitor its cash flow and implement the necessary measures to mitigate the impact of these challenges on our businesses.

BOARD OF DIRECTORS

TAY KAH CHYE, 76

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 24 September 2020. Pursuant to Regulation 103 of the Company's Constitution Mr Tay will retire by rotation as a director at the forthcoming AGM and has consented to his re-election as a director. He is also a member of the Audit and Risk Committee, Remuneration 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 graduated with a Bachelor of Social Sciences (Economics) from the University of Singapore in 1970.

TAN BOON KHENG, 63

Managing Director

is the Group Managing Director and a member of the Nominating Committee. 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. He has attended Georgetown University's McDonough School of Business executive education in Global Business Leadership and International Relations in 2015. 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. Mr Tan was recognised as one of the top outstanding leaders in the Asia Corporate Excellence & Sustainability Awards in 2014 and also appointed in 2016 as Honorary Chairperson of Cheng Hong welfare Service Society, a Non-Profit organisation in Singapore to help the disadvantaged needy and destitute in the society through healthcare, lifestyle and financial support. Tan Boon Kheng is the brother of Tan Boon Yew and Tan Boon Siang. He was last re-elected at the AGM held on 24 September 2020. Pursuant to Regulation 103 of the Company's Constitution, Mr Tan will retire by rotation as a director at the forthcoming AGM and has consented to his re-election as a director.

BOARD OF DIRECTORS

TAN BOON SIANG, 54

Executive Director

joined the Group in 1993 and is responsible for the management and supervision of the land and marine-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 31 August 2021.

CHIA SOON HIN WILLIAM, 70

Independent Director

was appointed as a Non-Executive Independent Director on 1 September 2018 and was last re-elected at the AGM held on 29 September 2022. He is also the Chairman of the Audit and Risk Committee, and a member of the Remuneration Committee and Nominating Committee. Besides serving as an Independent Director of listed company, Ley Choon Group Holdings 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, 73

Independent Director

was appointed as a Non-Executive Independent Director on 23 December 2019 and was last re-elected at the AGM held on 24 September 2020. Pursuant to Regulation 103 of the Company's Constitution, Mr Yip will retire by rotation as a director at the forthcoming AGM and has consented to his re-election as a director. He is also the Chairman of both the Remuneration Committee and Nominating Committee, and a member of the Audit and Risk 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 were involved in diverse industries, ranging from oil and gas production, solar-powered water heaters, biofuel, memory modules manufacturing to marine out-board equipment distribution.

KEY MANAGEMENT

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.

TAN BOON YEW

joined the Group in 1981 and is responsible for the management and supervision of the marine-based fire protection solutions 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.

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 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

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COMPANY REGISTRATION NO.

200209290R

AUDITOR

Foo Kon Tan LLP
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Partner-in-charge: Ho Teik Tiong
(with effect from financial year ended 31 March 2022)

AUDIT AND RISK COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

SHARE REGISTRAR

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SUSTAINABILITY REPORT

FY2023

ASIATIC GROUP (HOLDINGS) LIMITED

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MESSAGE FROM THE BOARD

Dear Valued Stakeholders,

The Board of Directors (the "**Board**") is pleased to present Asiatic Group (Holdings) Limited's (the "**Company**", and together with its subsidiaries, the "**Group**" or "**Asiatic**") sixth annual Sustainability Report (the "**Report**"), where we discuss the Group's sustainability performance for the financial year ended 31 March 2023 ("**FY2023**").

We understand the significance of incorporating sustainability principles into our business strategy, operations, and procedures, and we acknowledge that the Board has ultimate responsibility for our Group's sustainability reporting. As such, the Board is fully committed to ensuring that sustainability considerations are effectively integrated into our decision-making processes.

Working closely with the senior management team, the Board has reviewed and approved the material Environmental, Social and Governance ("**ESG**") factors that form the key areas of focus for this Report. We are also committed to providing oversight over the Group's sustainability risks and opportunities, ensuring that they are continuously monitored, evaluated, and managed in alignment with our sustainability goals.

As we work towards the disposal of Asiatic's 30% shareholdings in Maju Intan Biomass Energy Sdn. Bhd. ("**MJE**"), we will be able to refocus attention and resources on our core fire protection solutions business under Asiatic Fire Services Pte. Ltd. ("**AFS**"). We remain committed to unlocking long-term value for our stakeholders, as we strive to meet their expectations in all that we do.

We are also pleased to have made significant progress against our core ESG objectives over the course of FY2023. Asiatic has continued to maintain our record of having zero incidents of regulatory non-compliance and zero work-related incidents and illnesses in our factories in FY2023. At the same time, we have also decided to include 'Employment' as a new material topic this year, while disclosing more information on AFS's environmental footprint within this Report in order to provide our stakeholders with more transparency and information on our ESG performance.

We would hereby like to express our appreciation to our business partners, employees, investors and other stakeholders for your continued support throughout our sustainability journey. As we continue to hold ourselves to high standards of corporate governance, we will work towards setting increasingly ambitious ESG targets in the years to come, for the betterment of all stakeholders.

Sincerely,
The Board of Directors

ABOUT THE REPORT

This Report aims to provide an update on the progress we are making to deliver sustainable growth and long-term value creation for all stakeholders.

REPORTING SCOPE

Information in this report covers our financial year from 1 April 2022 to 31 March 2023 ("**FY2023**"), and relevant historical performance data from prior years has been included for comparison where available.

Unless otherwise stated, this Report covers the ESG impact of our holding company, Asiatic Group (Holdings) Limited, as well as our key subsidiaries, Asiatic Fire System Pte Ltd (“**AFS**”) and Colben Energy (Cambodia) PPSEZ Limited (“**Colben**”).

Other entities included within the Group Structure has been excluded from the scope of this Report, as they are either non-operational or in the process of being disposed of.

REPORTING STANDARDS

This report was also prepared with reference to the internationally recognised and widely used Global Reporting Initiative Standards 2021 (“**GRI Standards**”). By aligning our report with the GRI Standards, we are better able to capture and disclosure relevant information about our organization's impacts, performance, and strategies.

This report has also been prepared in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), with reference to the guidelines set out in SGX-ST's Practice Note 7F Sustainability Reporting Guide.

Given that the Company does not fall within the TCFD-identified industries that were prioritised for mandatory disclosure, we plan on progressively including climate-related disclosures in subsequent years of sustainability reporting. FY2023 marks the first year in which we have included AFS’s greenhouse gas (“**GHG**”) emissions within our sustainability reporting.

External assurance has not been sought for this Report, and we have relied on internal verification by senior management to ensure the accuracy of all ESG disclosures. We have also engaged our internal auditors to perform an internal review of its sustainability reporting process in FY2023.

FEEDBACK CHANNEL

The electronic version of this report is available on our corporate website, https://www.asiatic.com.sg/news/sustainability-reports.html. A copy of this report is also available on the SGX-ST website, at www.sgx.com/securities/company-announcements.

Both the Board and management are dedicated to ensuring that all inquiries are acknowledged and appropriately addressed, underscoring our commitment to transparency and accountability. We welcome all feedback from our valued stakeholders on the contents of this report and any aspect of our sustainability performance. For any queries in relation to this report, we welcome you to contact us at sustainability@asiatic.com.sg.

CORPORATE PROFILE

Headquartered in Singapore, the Company was first established and listed on SGX-ST's Catalist Board in April 2003. The Group has operations in Singapore, Cambodia and Malaysia.

We are an engineering management specialist providing the following products and services:

- Fire Protection Solutions, with a focus on supplying, installing and maintaining firefighting and protection equipment.
- Energy Services, with a focus on power generation and the distribution of controlled power supply and equipment.

FIRE PROTECTION SOLUTIONS

Asiatic Fire System Pte. Ltd. ("**AFS**") is a total solutions provider for firefighting and protection equipment and services. We are one of Singapore's largest stockists for essential firefighting equipment like fire hydrants, fire extinguishers, hoses and couplings that are necessary to combat marine, offshore, industrial and household fires. To provide a full range of fire protection solutions to our clients, we manufacture our own "KILLFIRE" brand of fire-fighting equipment, while also distributing complementary brands of quality equipment and apparatus.

AFS products are authorised for use 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. Our clientele includes civil defence entities as well as commercial and industrial businesses.

ENERGY SERVICES

As an EPC (Engineering, Procurement and Construction) and O&M (Operation and Maintenance) contractor, we engage in a wide range of activities across the energy sector's value chain, from power generation and transmission to local distribution within the Phnom Pehn Special Economic Zone.

As a Joint Venture partner of Phnom Penh Special Economic Zone Plc ("**PPSEZ**"), Colben Energy (Cambodia) PPSEZ Ltd ("**Colben**") operates the PPSEZ Power Plant, generating and supplying electricity to the industrial factories and facilities within the 360-hectare industrial park. A Build, Own and Operate investment since 2008, this fossil fuel power plant consisting of three 6.5 MW generator sets operates only when there are power interruptions to the main grid and is left on standby for most of the year.

MEMBERSHIP ASSOCIATIONS

AFS is proud to be a member of the following associations:

- Singapore Manufacturing Federation
- Singapore Business Federation
- Singapore Metal & Machinery Association
- Singapore Building Materials Supplies' Association
- Singapore-China Business Association
- Singapore Ship-Chandlers Association
- Association of Company Emergency Responsive Teams (Singapore)

SUSTAINABILITY AT ASIATIC

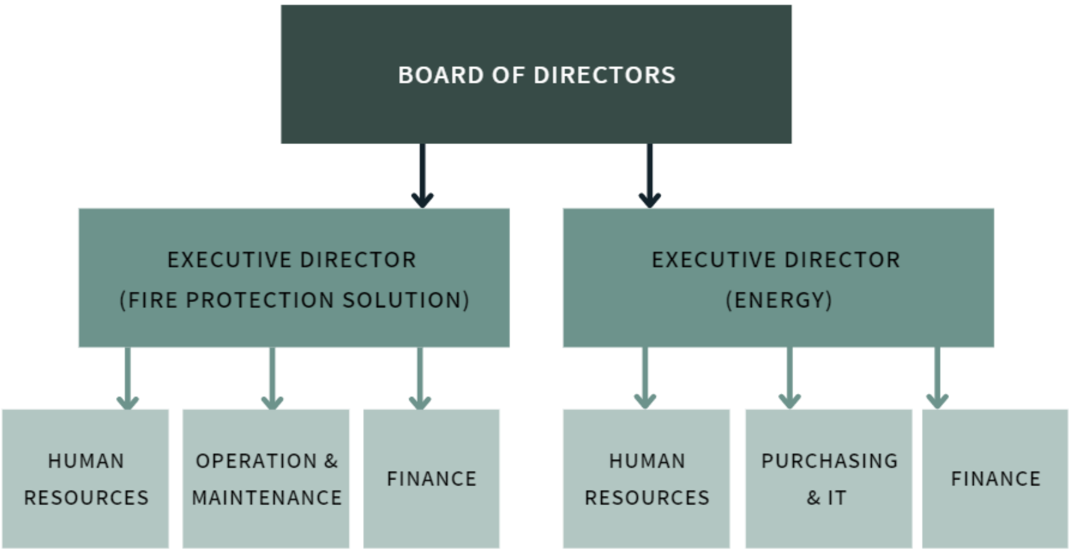
At Asiatic, we are deeply committed to achieving sustainable value creation for all our stakeholders. Our sustainability approach is centered around creating positive impacts on the economy, environment, and people, thereby ensuring our long-term resilience.

SUSTAINABILITY GOVERNANCE

To effectively manage our sustainability efforts, the Board of Directors assumes collective responsibility for decision-making and overseeing the management of our organization's impacts. They play a crucial role in integrating sustainability principles into our business strategy. To advance their knowledge, skills, and expertise on sustainability matters, all our directors also attended the SGX-mandated training in FY2023. The Board also receives an annual update on the Group's sustainability performance, risks and opportunities, and they review and approve all disclosures in this Report.

Working closely with the Board, the Executive Directors of AFS and Colben help ensure that sustainability considerations are embedded throughout our operations by contributing towards the development of sustainability policies and initiatives across the Group.

The respective department heads, operating at an operational level, are responsible for executing sustainability initiatives within their departments. They maintain open lines of communication with the Executive Directors, providing daily and/ or monthly progress updates, seeking guidance when necessary, and sharing insights from the ground.



SUSTAINABILITY AT ASIATIC

STAKEHOLDER ENGAGEMENT

Our sustainability approach also extends to our relationships with customers, employees, suppliers, investors, and regulators. Through active engagement and open dialogue, we strive to understand their perspectives and incorporate their feedback into our sustainability initiatives. Aligning our sustainability efforts with key stakeholders' needs and expectations is crucial for the long-term growth of our business.

Stakeholder Groups	Engagement Platforms	Frequency of Engagement	Their Concerns
Employees	New-joiner induction programme	As required	• Opportunities for career development and progression • Safe workplaces
	Employee performance review	Annually	
	Safety training	As required	
Customers	Customer satisfaction survey	As required	• Product quality and on-time delivery
	Site visits	As required	
	Discussion via email, phone calls, or face-to-face meetings	As required	
Suppliers	Factory visits	As required	• Fair and transparent business conduct
	Discussion via email, phone calls, or face-to-face meetings	As required	
Investors & Regulators	Annual report	Annually	• Sustainable business growth and sound corporate governance • Compliance with applicable laws and regulations
	Sustainability report	Annually	
	Annual General Meeting	Annually	
	SGXNET announcements	As required	

SUSTAINABILITY AT ASIATIC

MATERIALITY ASSESSMENT

In FY2018, Asiatic engaged a consultant to conduct a materiality assessment workshop, consisting of the following steps:

1. IDENTIFY

A comprehensive list of potentially material ESG topics were consolidated and defined via discussions with internal stakeholders.

2. PRIORITISE

Selected ESG topics were prioritised against a materiality matrix during an internal focus group discussion

3. VALIDATE

Identified material ESG topics were raised to the Board for their approval.

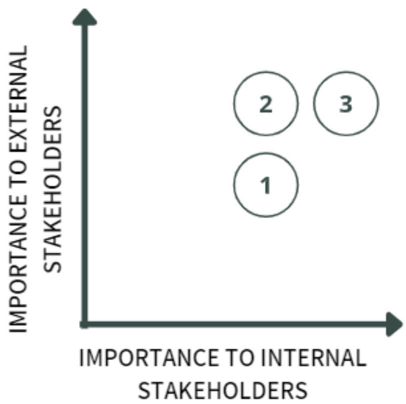
4. REVIEW

Material ESG topics are re-assessed in subsequent reporting periods to ensure continued relevance to business operations.

Upon conducting an annual review of Asiatic's material topics in FY2023, the Board has decided to replace the material topic on ‘Regulatory Compliance’ with ‘Employment’, in view of how our workforce is critical to the execution of our current business strategy, to align our disclosures with the new GRI Standards.

Accordingly, the Group will regularly assess our sustainability performance and measure our progress for the following material ESG topics, as illustrated in the following materiality matrix.

Materiality Matrix



1. **EMPLOYMENT**
   GRI 401: Employment
2. **WORKPLACE HEALTH AND SAFETY**
   GRI 403: Occupational Health and Safety
3. **ENERGY EFFICIENT OPERATIONS & GREENHOUSE GAS ("GHG") EMISSIONS**
   GRI 302: Energy
   GRI 305: Emissions

MATERIAL TOPICS

Employment

Asiatic is committed to attracting and retaining skilled individuals, creating a diverse and inclusive workplace, investing in our employees' learning and development, and ensuring the safety and well-being of our workforce.

OUR APPROACH

Across the Group, we have established comprehensive human resources ("**HR**") policies to ensure that our hiring practices are aligned with local employment legislation in Singapore and Cambodia, as well as voluntary codes like the Tripartite Guidelines on Fair Employment Practices. Colben also has in place a Code of Conduct, which serves as a guiding framework for all employees, outlining the expectations and behaviours that we consider essential to upholding the highest standards of professionalism, integrity, and respect at work.

As of 31 March 2023, Asiatic employed a total of 145 full-time and 1 part-time employees across the regions we operate in, marking a slight increase in total headcount from our previous reporting period (FY2022: 129 employees[1]). All full-time employees are entitled to healthcare insurance, while employees at our head office, i.e., Asiatic Group (Holdings) Ltd., also receive parental leave benefits.

Our Workforce				
Year	By Gender		By Geographic Region	
	Female	Male	Singapore	Cambodia
FY2023	30	116	111	35
FY2022	23	106	93	36
FY2021	28	164	96	96

Asiatic remains committed to ensuring that equal opportunities are offered to our employees regardless of age, gender, ethnicity, and religion. Consistent with our industry trends, male and female employees constituted 79.5% and 20.5% of our total workforce respectively. AFS also participates in the Ministry of Manpower's Senior Worker Early Adopter and Part-time Re-employment schemes.

[1] The total number of employees as of 31 March 2022 was previously reported as 150 in our previous sustainability report, due to human error in data computation.

Employment

OUR PERFORMANCE

We also closely monitor our new hire and employee turnover rates throughout the years as indicators as to the adequacy of our employment practices. For FY2023, we recorded an overall new hire rate of 29.1% and employee turnover rate of 16.7%.

More details on the total number of employee new hires and employee turnover are as follows:

Employee New Hires			
By Gender		By Age Group	
Female	11	Below 30 years	17
Male	29	30 – 50 years	19
Total	40	Above 50 years	4

Employee Turnover			
By Gender		By Age Group	
Female	4	Below 30 years	7
Male	19	30 – 50 years	9
Total	23	Above 50 years	7

For FY2024, we aim to maintain our employee turnover rates at 18%, in line with Singapore's nationwide average for the manufacturing industry in 2022[2]. At the same time, we will continue to closely monitor our employee new hires rate in relation to the Group's HR needs in both Singapore and Cambodia.

[2] Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

MATERIAL TOPICS

Workplace Health and Safety

At Asiatic, our utmost priority is to safeguard the health, safety, and well-being of all individuals involved in our operations. We are committed to preventing any work-related injuries and illnesses within our facilities, and we consider it our duty to promote a safety-oriented workplace environment.

OUR APPROACH

At Asiatic, we consider health and safety in the workplace to be a shared responsibility. We expect our employees, contractors, and all relevant external parties to adhere to the safety management systems, quality standards and standard operating procedures we have established within our facilities.

Every year, we conduct an audit of our workplace health and safety measures to ensure compliance with regulatory requirements, i.e., the Workplace Safety and Health (Risk Management) Regulations and the Code of Practice on Workplace Safety and Health (WSH) Risk Management. Thereafter, any identified gaps are promptly addressed and actively monitored to track improvements. As testament to our robust risk management processes, Asiatic Fire Services has achieved the following certifications: ISO 9001:2015 Quality Management System and BizSAFE level 4. Our last BizSAFE audit was conducted in July 2021, and the ISO audit was completed in October 2022.

Over the course of FY2023, we have engaged our internal auditors to complete a review on various aspects of occupational health and safety at the Colben PPSEZ plant. We are pleased to announce that the review revealed no major findings, indicating our strong commitment to maintaining a safe and secure work environment. However, we recognize the importance of continuous improvement, and the senior management team will diligently address the identified areas for enhancement.

Across the Group, employees are reminded to remain vigilant at work and maintain caution as needed. Our employees are required to immediately report relevant workplace incidents, including near misses, as and when they occur when on site. This is in line with Asiatic's incident investigation procedures, as follows:

1. Identification, Classification and Reporting of Incident
2. Investigation & Analysis of Non-Conformance, Accident and Incident
3. Corrective and Preventive Action

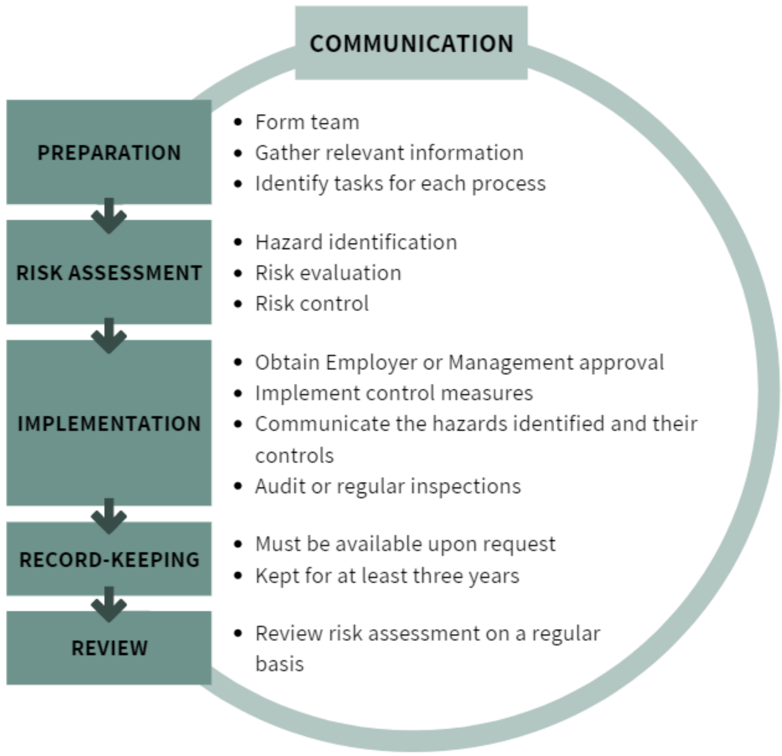
To further promote our employees' health and well-being, all employees are also provided with access to affordable health care, provided through company clinics and health insurance.

Within AFS, a Risk Management Committee involving both managerial and senior staff-level employees has been established to facilitate the application of the risk management process across different functions. The committee regularly conducts discussions and shares reports to senior management on any findings or workplace health and safety developments that require attention as required during the financial year.

Workplace Health and Safety

OUR APPROACH (Cont'd)

AFS's risk management process was developed in accordance with local legislation and regulations such as the Workplace Safety and Health (Risk Management) Regulation and the Workplace Safety and Health Code of Practice. This risk management process helps us more effectively identify hazards, evaluate risks, determine risk levels, and prepare action plans to eliminate, contain or control risks.



We also regularly send our employees to attend workplace health and safety training courses. All service and technical site staff working in Singapore are required to attend safety orientation courses when they first join the company and to fulfil all relevant re-certification requirements due to the high-risk nature of their work. All Risk Management Team Leaders have also attended an approved course in Risk Management methodology to ensure subject-matter competency.

Fire drills and evacuation exercises are conducted once a year to prepare for emergency contingencies, and our employees are expected to diligently participate in all emergency preparedness activities as well.

Our employees also make use of the Material Safety Data Sheets ("**MSDS**") provided by our suppliers to handle hazardous chemicals safely. Asiatic also provides a similar MSDS to our customers to ensure that there is a clear understanding on how to use our products safely.

Workplace Health and Safety

OUR PERFORMANCE

In FY2023, our employees worked a total of 234,511 hours and 84,548 hours in Singapore and Cambodia respectively. Compared to FY2022, this signifies a 12% increase and 17.4% decrease in total working hours for Singapore and Cambodia respectively.

Even so, we are pleased to share that we have achieved zero work-related incidents and injuries in all our facilities across both Singapore and Cambodia in FY2023, just as we did in FY2022. We will strive to continue maintaining this track record in the coming years by sustaining our efforts to create a safe and healthy workplace for our workers.

	FY2023		FY2022	
	Singapore	Cambodia	Singapore	Cambodia
Man Hours Worked	234,511	84,548	209,469	102,343
Work-related Injuries and Ill Health	0	0	0	0
Injury Rate	0	0	0	0

MATERIAL TOPICS

Energy Efficient Operations & GHG Emissions

Given the far-reaching and long-lasting effects of climate change, it is imperative that we play an active role in conserving our energy resources and minimising GHG emissions to mitigate the risks involved. Since our energy operations in Colben involve the burning of fossil fuels to generate electricity, it incurs significantly more carbon emissions compared to our Singapore-based operations. As part of our push towards greater transparency in our sustainability reporting, we have expanded the topic boundary for 'Energy Efficiency Operations & GHG Emissions' to include AFS from this year onwards.

OUR APPROACH

The Group is committed to minimising our environmental footprint, by taking proactive steps towards sustainable operations. By regularly monitoring and analysing our energy consumption patterns, we identify areas for improvement and implement energy-saving measures wherever feasible. Additionally, we encourage a culture of sustainability among our employees. Through internal initiatives, we promote energy-conscious behaviours, waste reduction, and the responsible use of resources.

At Colben, our focus is also on ensuring a stable supply of electricity to meet the needs of the communities we serve. To maintain the energy efficiency of our power plants, we conduct monthly checks and routine maintenance procedures on our equipment throughout the year, while performing a rigorous equipment maintenance exercise at least once a year. This ensures that all the power plant equipment is in optimal operational condition to fulfil on-demand functions.

OUR PERFORMANCE

Over the course of FY2023, the Group consumed a total of 3,012 MWh of energy, with key energy sources including purchased electricity from the national grids of Cambodia and Singapore, diesel for our fork-lifts and company vehicles, along with heavy fuel oils for electricity generation. For FY2024, our target is to limit the Group's overall energy consumption levels to no more than a 5% increase compared to FY2023.

Colben consumed a net total of 1,976 MWh of energy within the organisation, down from 2,533 MWh the previous year. Colben's energy intensity ratio also decreased by 35%, marking an improvement in its operational efficiency. Our target for FY2024 is thus to maintain our energy intensity ratio at the same level, i.e., at 0.02 MWh per unit electricity sold.

	FY2023	FY2022
Non-renewable Fuel Consumption (MWh)	160	193
Electricity Purchased for Consumption (MWh)	367	475
Electricity Purchased for Retail (MWh)	98,969	82,641
Electricity Sold (MWh)	(97,520)	(80,776)
Total Energy Consumption[3] (MWh)	**1,976**	**2,533**

[3] Inclusive of transmission loss.

Energy Efficient Operations & GHG Emissions

OUR PERFORMANCE

Meanwhile, AFS consumed a total of 1,036 MWh of energy, with the bulk of its energy consumption arising from diesel usage by its forklifts. Given that FY2023 marks the first year we are disclosing AFS's environmental performance figures in our sustainability report, there are no comparative figures disclosed for FY2022. We will also continue to closely monitor AFS's energy consumption before setting a quantitative performance target for this business unit in future years of reporting.

	FY2023
Non-renewable Fuel Consumption (MWh)	901
Electricity Purchased for Consumption (MWh)	135
Total Energy Consumption (MWh)	**1,036**

The Group's scope 1 and scope 2 carbon emissions, as summarised in the following table, amounted to a total of 1,183 tCO_2e for FY2023. As with energy, our target for FY2024 is to limit the Group's overall greenhouse gas emissions to no more than a 5% increase compared to FY2023.

	Colben		AFS
	FY2023	FY2022	FY2023
Scope 1 Carbon Emissions (tCO_2e)[4]			
- Heavy Fuel Oil	44	53	0
- Diesel	1	1	229
Scope 2 Carbon Emissions (tCO_2)[5]			
- Emissions from Electricity Consumption	172	223	55
- Emissions from Transmission Loss	682	756	0
Total Carbon Emissions (tCO_2e)	**899**	**1,033**	**284**

We further noted that Colben's carbon emissions intensity has decreased from 0.013 tCO_2e per MWh of electricity sold in FY2022[6] to 0.010 tCO_2e per MWh of electricity sold in FY2023, and we aim to maintain this intensity ratio for Colben in FY2024. As this is the first year we have included AFS within the topic boundary, we will also continue to closely monitor AFS's emission levels before setting a quantitative performance target for this business unit in future years of reporting.

[4] Scope 1 carbon emissions are calculated from the type and quantity of fuel consumed, using conversion factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

[5] Scope 2 carbon emissions are calculated by applying the emission factors from the Institute for Global Environmental Strategies, the National Council for Sustainable Development, Cambodia, and the Energy Market Authority, Singapore to the total amount of purchased electricity consumed by the Group.

[6] The carbon emissions intensity was previously reported as 0.24 in our previous sustainability report, as we included emissions from the generation of electricity purchased for trade instead of emissions from transmission loss.

GRI
CONTENT INDEX

Statement of use	Asiatic Group (Holdings) Limited has reported the information cited in this GRI content index for the period from 1 April 2022 to 31 March 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI DISCLOSURES		**LOCATION**
GRI 2: General Disclosure 2021		
2-1	Organisational details	16 & 18
2-2	Entities included in the organisation's sustainability reporting	17
2-3	Reporting period, frequency and contact point	17
2-4	Restatements of information	22 & 28
2-5	External assurance	17
2-6	Activities, value chain and other business relationships	18
2-7	Employees	22
2-9	Governance structure and composition	33 – 35
2-10	Nomination and selection of the highest governance body	36 – 38
2-11	Chair of the highest governance body	35 – 36
2-12	Role of the highest governance body in overseeing the management of impacts	16 & 19
2-13	Delegation of responsibility for managing impacts	16 & 19
2-14	Role of the highest governance body in sustainability reporting	16 & 19
2-15	Conflicts of interest	33 & 47
2-16	Communication of critical concerns	44 – 45
2-17	Collective knowledge of the highest governance body	19
2-18	Evaluation of the performance of the highest governance body	38
2-19	Remuneration policies	39 – 42
2-20	Process to determine remuneration	39 – 42
2-22	Statement on sustainable development strategy	16
2-26	Mechanisms for seeking advice and raising concerns	44 – 45
2-27	Compliance with laws and regulations	42 – 43
2-28	Membership of associations	18
2-29	Approach to stakeholder engagement	20

GRI CONTENT INDEX

DISCLOSURES		LOCATION
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	21
3-2	List of material topics	21
GRI 401 Employment 2016		
3-3	Management of material topics	22
401-1	New employee hires and employee turnover	23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	22
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	24
403-1	Occupational health and safety management system	24 – 25
403-2	Hazard identification, risk assessment, and incident investigation	24
403-4	Worker participation, consultation, and communication on occupational health and safety	25
403-5	Worker training on occupational health and safety	25
403-6	Promotion of worker health	24
403-9	Work-related injuries	26
403-10	Work-related ill health	26
GRI 302: Energy 2016		
3-3	Management of material topics	27
302-1	Energy consumption within the organization	27 – 28
GRI 305: Emissions 2016		
3-3	Management of material topics	27
305-1	Direct (Scope 1) GHG emissions	28
305-2	Energy indirect (Scope 2) GHG emissions	28

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 2023 ("**FY2023**").

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 FY2023. Proper explanation has been given where there is a deviation from the recommended guideline(s).

The Company did not adopt any alternative corporate governance practices in FY2023.

PRINCIPLE 1: BOARD MATTERS

The Board's Conduct of Affairs

The Board of Directors' (the "**Board**") principal roles include promoting long-term shareholder value, ensuring that the businesses of the Group are effectively managed and properly conducted by Management and ensuring proper observance of corporate governance practices, which includes setting of code of conduct and ethics, appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Group.

The Board's primary responsibilities include the review and approval of policy guidelines, setting directions to ensure that the strategies undertaken seek to enhance shareholder value. The Board meets regularly on quarterly basis and as and when warranted by 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-yearly and full year results announcements (whichever appliable), annual reports and audited financial statements;
▪ Corporate strategic direction, strategies and action plans;
▪ Issuance of policies and key business initiatives;
▪ Interested person transactions and whistle-blowing reports;
▪ 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 any amendments and/or requirements of the Catalist Rules and other statutory and regulatory requirements from time to time, to enable them to discharge their duties effectively. 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.

All Directors had attended the Environmental, Social and Governance Essentials ("**ESG**") training. Besides the ESG training, some key courses, conferences and/or seminars attended by the Directors collectively for FY2023 are as follows:

Courses, Conferences and Seminars Name	Held By
LED-Environmental, Social & Governance Essentials	Singapore Institute of Directors
Singapore Governance and Transparency Forum 2022	Singapore Institute of Directors
Dialogue on Code of Practice on Chief Executives' & Board of Directors' WSH Duties	Workplace Safety and Health (WSH) Council, Singapore Institute of Directors & Singapore National Employers Federation
The Future of Sustainability Reporting	SGX-GRI Sustainability Reporting Learning Series

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 Entity Director (LED) 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 FY2023.

Our Board has established and delegated certain responsibilities to the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit and Risk Committee ("**ARC**") (collectively, the "**Board Committees**"). The Board Committees are each chaired by an Independent Director and majority of the members are independent. Each of the Board Committee's functions, roles and authorities are clearly set out in their respective terms of reference. The terms of reference of the respective Board Committees, as well as the other relevant information on the Board Committees can be found in the subsequent sections of this Report.

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

Details of the meetings of the Board and Board Committees held for FY2023 are disclosed in the table below:

	Board	ARC	NC	RC	AGM
Total held in FY2023:	**13**	**6**	**1**	**1**	**1**
Tay Kah Chye (Independent Chairman)	12	6	1	1	1
Tan Boon Kheng (Managing Director)	13	6(1)	1	1(1)	1
Tan Boon Siang (Executive Director)	13	6(1)	1(1)	1(1)	1
Chia Soon Hin William (Independent Director)	13	6	1	1	1
Yip Mun Foong James (Independent Director)	12	6	1	1	1

Note:
1. *Attendance by invitation.*

In FY2023, all Directors attended and actively participated in the meetings of the Board and Board Committees of the Company. Director(s) who were absent from any meeting(s) of the Board and/or Board

Committees had provided his view, if any, before the respective meetings, and had received updates and minutes of the meeting discussion. All Directors, including Directors with multiple board representations had ensured sufficient time and attention were given to the affairs of each company. Other than the formal meetings of the Board and Board Committees, the Board also discussed the Company's affairs regularly through email and/or informal meetings as and when deemed necessary.

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 Director). Prior to any meetings of the Board or Board Committees, every Director, if applicable, is given sufficient time to review board papers to prepare him/her 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 the Board 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 Board Committees' meetings. The Company Secretary also assists the respective Chairman of the Board 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.

The Directors have the fiduciary duty to act objectively in the best interests of the Company and hold Management accountable for performance. Where the Director has a conflict or potential conflict of interest in relation to any matter, he will declare his interest at the meeting of the Directors or send a written notice to the Company, setting out the details of his interest and the conflict and recuse himself from any discussions on the matter and abstain from participating in any Board decision.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board currently comprises five (5) Directors, of whom two (2) are Executive Directors and three (3) Independent Directors, whose collective experience and contributions are valuable to the Company.

The composition of the Board is summarised in the table below:

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Tay Kah Chye	Independent Chairman	1 October 2013	24 September 2020
Tan Boon Kheng	Managing Director	25 October 2002	24 September 2020
Tan Boon Siang	Executive Director	25 October 2002	31 August 2021
Chia Soon Hin William	Independent Director	1 September 2018	29 September 2022

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Yip Mun Foong James	Independent Director	23 December 2019	24 September 2020

There is a strong and independent element on the Board given that there are three (3) 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 Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company.

The Independent Directors of the Company 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 Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

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.

The Independent Directors, led by the 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 FY2023.

The Company has adopted a Board Diversity Policy. The Company understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company. It enhances decision-making capability and with a diverse Board, it is more effective in dealing with organisational changes as well as getting different views. This also provides an opportunity to ensure that all Board discussion and decisions made are considered from all angles. The NC is responsible for setting and maintaining the Board Diversity Policy, including setting of its targets, plans and timelines. The NC and the Board regularly reviews the size and composition of the Board, as well as succession planning, diversity and refreshment of the Board based on the current guidelines set under our Board Diversity Policy.

The profile of our Directors can be found on pages 9 to 11 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%

Balance and Diversity of the Board

Competencies	***Number of Directors***	***Proportion of Board***
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 understanding the range of expertise which is lacking by the Board.

In FY2023, the NC and the Board has reviewed the composition of the current Board and the Board Committees based on the aspect of diversity, and after taking into account the scope and nature of operations, and the size of the Group, is of the view that the current Board comprises persons with expertise across areas such as banking, finance and accounting, business and industry-specific experience, management and strategic planning, who as a group provide capabilities required for the Board to be effective in serving its current business and operations needs and plans. To meet the changing challenges in the industry 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 periodically to ensure that the Board dynamics remain optimal.

As at the date of publication, there is one independent director who had served on the Board for more than nine years and will no longer be considered independent following the conclusion of the Company's AGM for the financial year ending 31 March 2024 ("**FY2024**"). Given the potential Board renewal process in the coming year, the NC will continue to review and consider the size and composition of the Board for the proposed renewal process to ensure that the Board has the appropriate mix of core skills and experience commensurate with the nature, size and complexity of the Group's business, its operating environment, and its current and future targets and focus.

Full details of targets, plans and timelines will be set and be disclosed when they become available.

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). Mr Tan Boon Kheng is the Managing Director while Mr Tay Kah Chye, an Independent Director, is the Chairman of the Board.

The roles of the Chairman and the Managing Director are separate to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making, in accordance with the recommendations of the Code. The Chairman is not related to the Managing Director.

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 Managing Director 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.

The NC has deliberated and is of the view that the appointment of a Lead Independent Director is not necessary given that the majority of the Board, including the Chairman is independent.

PRINCIPLE 4: BOARD MEMBERSHIP

Nominating Committee

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

(i) Yip Mun Foong James (Chairman)
(ii) Tay Kah Chye (Member)
(iii) Chia Soon Hin William (Member)
(iv) 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 nominations 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 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 and/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 to 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 FY2023. The Board did not set any cap on the number of listed company board representations a Director may hold in FY2023 given that all the 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 9 and 11 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 FY2023 confirmed their independence in accordance with the Code and the Catalist Rules. The NC had also assessed the independence of each Independent Director and considers Mr Tay Kah Chye, Mr Chia Soon Hin William and Mr Yip Mun Foong James 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 not to be independent.

Mr Tay Kah Chye ("**Nine Years Director**") has been a Director for an aggregate period of more than nine years since the date of his first appointment. Despite being a Nine Years Director, Mr Tay has demonstrated strong independence in character and judgement over the years in discharging the interest of the non-controlling shareholders. He has expressed individual viewpoints, debated issues and objectively scrutinized and challenged Management. Accordingly, the Board is of the view that Mr Tay continues to be independent. The Board also recognises the contribution of Mr Tay Kah Chye as Independent Director who over time has developed deep insight into the Group's businesses and operations and who is therefore able to provide invaluable contributions to the Group. The Company noted the new rule set out in the Catalist Rules whereby a director who has served on a board for an aggregate period of nine years will no longer deemed independent, with a transition period up to the conclusion of the Company's AGM for FY2024 for the application of the said new listing rule. Accordingly, the Nine Years Director will remain as Independent Director until the conclusion of the Company's AGM for FY2024. The NC and the Board will be undertaking a board renewal process and will appoint a new Independent Director in compliance with the relevant Catalist Rules in due course.

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 (if the number is not a multiple of three, the number nearest to but not greater than one-third) of the Board is required to retire via rotation at each AGM and that each Director shall retire from office at least once every three (3) years. A retiring Director is eligible for re-appointment subject to his consent.

Mr Tay Kah Chye, Mr Tan Boon Kheng and Mr Yip Mun Foong James 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. Each Director has abstained from the deliberations, recommended their own nomination for re-election at the forthcoming AGM. Mr Tay Kah Chye, Mr Tan Boon Kheng and Mr Yip Mun Foong James have consented to continue in office.

Mr Tay Kah Chye will, upon re-election, remain as an Independent Chairman of the Company, and a member of ARC, NC and RC of the Company. Mr Tan Boon Kheng will, upon re-election, remain as the Managing Director of the Company and a member of the NC of the Company. Mr Yip Mun Foong James will, upon re-election, remain as an Independent Director of the Company, the Chairman of the NC and RC, and a member of the ARC of the Company.

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 49 to 55 of this Annual Report.

The Company currently does not have any alternate directors.

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, its Board Committees and each individual Director. 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 Board 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 are 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 shareholder value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2023 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 2022 ("**FY2022**").

For FY2023, 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 Board Committees, the individual Directors and the Chairman 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 FY2023, the NC is of the opinion that the Board, its Board Committees and each Director were satisfactory and had met their performance objectives during FY2023 notwithstanding that the Company was in loss-making position for FY2023. No external facilitator was engaged in the evaluation process for FY2023.

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:

(i) Yip Mun Foong James (Chairman)
(ii) Tay Kah Chye (Member)
(iii) Chia Soon Hin William (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 personne

- 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 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. The RC has reviewed and assessed that the remuneration of the Independent Directors for FY2023 is appropriate, considering the effort, time spent and responsibilities.

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 FY2023, RC had not sought external remuneration consultants to review the remuneration packages of directors and key management personnel. The RC had assessed and is satisfied that the appointment of an external remuneration consultant in FY2023 was not necessary after taking into consideration market conditions.

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 FY2023 is set out below:

Name of Director	Total Remuneration	Base/Fixed Salary	Directors' Fee	Bonus	Benefits	Total
Tan Boon Kheng	S$298,000	100%	-	-	-	100%
Tan Boon Siang	S$323,000	87%	-	13%	-	100%
Tay Kah Chye	S$37,500	-	100%	-	-	100%
Chia Soon Hin William	S$35,000	-	100%	-	-	100%
Yip Mun Foong James	S$32,500	-	100%	-	-	100%

The breakdown (in percentage terms) of the remuneration of the key management personnel of the Group for FY2023 is set out below:

Name of key management personnel[(1)]	Designation	Base/Fixed Salary	Bonus	Total
Below S$250,000				
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%

Notes:

1. *The Company has only three (3) key management personnel who are not directors or CEO of the Company for FY2023.*
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.*

The aggregate remuneration paid to the above key management personnel was approximately S$480,000 in FY2023.

No termination, retirement and post-employment benefits were granted to the Directors or key management personnel in FY2023.

The remuneration received by the Managing Director, Executive Director, and key management personnel takes into consideration his/her individual performance and contribution towards the overall performance of the Group for FY2023. 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 FY2023, the remuneration received by the Managing Director, Executive Director, 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 FY2023.

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 respectively, but whose respective remuneration does not exceed S$100,000. The aggregate remuneration (including CPF contributions thereon and benefits) of these employees amounted to approximately S$223,000 for FY2023.

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 other family relationships between any of our Directors, key management personnel, substantial shareholders and other employees. Besides the Managing Director, Mr Tan Boon Kheng and the Executive Director, Mr Tan Boon Siang, there are also no other employees who are substantial shareholders of the Company.

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.

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 Director, namely, Tan Boon Kheng and Tan Boon Siang respectively) 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 57 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 of Directors and the ARC have reviewed the adequacy of the Group's internal controls addressing its financial, operational, compliance and information technology risk, relying on reports from external auditors and internal auditors. Any significant internal control weaknesses and non-compliance that are highlighted during the audit together with recommendations by the external auditors and internal auditors are reported to the ARC. The ARC will follow up and review the actions taken by Management to address the weaknesses highlighted based on the recommendations made by the external auditors and internal auditors.

CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**") was the internal auditor for the Group for FY2023. CLA Global TS performed an internal audit for one of the Company's subsidiary, and also performed review of previous internal audit reports of the Group to assess the status and completeness of the identified action plans.

Foo Kon Tan LLP was the external auditors for the Group for FY2023. As part of the annual statutory audit, the external auditors conducted 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 would be reported to the ARC. The ARC also reviewed the effectiveness of the actions taken on the recommendations made by the external auditors, if any.

For FY2023, 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 to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

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 FY2023.

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:

(i) Chia Soon Hin William (Chairman)
(ii) Tay Kah Chye (Member)
(iii) Yip Mun Foong James (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 Code and/or the Catalist Rules, and by such amendments made thereto from time to time.

The ARC meets at least four 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 quarterly, half-yearly 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 FY2023.

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.

Whistle-Blowing Policy

The Group is committed to the highest possible standards of ethical, moral and legal business conduct. The Group intends to promote consistent organizational behavior by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations. The Company has put in place a whistle-blowing policy which provides employees and any other person with well-defined and accessible channels, including direct access to the Chairman of the ARC, to raise concerns about possible irregularities, wrongdoing or malpractice within or by the Group in confidence (the "**Whistle-Blowing Policy**").

The Whistle-blowing Policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to report directly to the Chairman of the ARC:

(i) by email to williamchiash@gmail.com; and/or

(ii) by hand or by post for the attention of the Chairman of ARC at 65 Joo Koon Circle, Singapore 629078.

To ensure that complaints can be submitted confidentially or anonymously, the complainant can address his complaint in a sealed envelope marked "Private and Strictly Confidential". The envelope shall be forwarded unopened to the ARC Chairman.

All information received will be treated as confidential. Every effort will be made to protect the complainant's identity and the complainant against detrimental or unfair treatment. Employees who raise a concern in good faith, which is shown to be unsubstantiated by subsequent investigation, will not have action taken against them.

The ARC is in charge of overseeing the function, monitoring and handling of matters being reported through the whistle-blowing system. 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 FY2023.

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 Foo Kon Tan LLP ("**FKT**") 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, FKT had also performed a full audit of the accounts of the Cambodian subsidiaries. Further information on the auditors' appointments can be found in Note 4(a) to the financial statements.

The Board and the ARC had reviewed the audit arrangements with FKT 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 FKT in FY2023 amounted to S$84,000. There is no non-audit services provided by FKT in FY2023.

The ARC has reviewed the independence and objectivity of the external auditors in FY2023 and is satisfied that the external auditors remain independent and objective. The ARC has also recommended the re-appointment of FKT as the external auditors for the ensuing financial year.

Internal Audit

The Group has outsourced its internal audit function and CLA Global TS was the internal auditor ("**IA**") for the Group for FY2023.

The ARC will review the adequacy and effectiveness of the 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, the IA also has 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 the IA 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.

The Company's corporate website (https://www.asiatic.com.sg) has a dedicated "Contact Us" link, to enable shareholders to contact the Company, and also to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Apart from the SGXNet announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at https://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. Subject to the Companies Act and Catalist Rules, the Company's Constitution allows the Directors, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

All Directors and the key management personnel shall attend the general meetings, unless in cases of exigencies, and shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings pursuant to the relevant guideline issued by the SGX.

All documents related to the general meetings, including the Annual Report, the notice of general meeting and any other relevant documents (where applicable) are announced via SGXNet and published on the Company's website prior to the meeting with the details of the agenda of the general meeting. Hard copy of the notice of the general meetings are also circulated to all shareholders by post and advertised on the Business Times.

Shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relations to the meeting agenda prior to the meeting. All Directors attend the general meeting 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 FY2022.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. In the event of bundled resolutions, reasons and implications of why resolutions are bundled will be set out in the circulars sent out. 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 general meetings would be published in the Company's website as soon as practicable, and within one (1) month of the general meetings held.

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 arise, the Company will consider the appointment of a professional investor relations officer to manage the function.

As the Company does not have a dedicated investor relations team, efforts by the Company in its engagement with investors (both present and prospective) are undertaken by the Managing Director and supported by the Group Financial Controller. In FY2023, such investor relations engagement efforts include meetings with investors and visits to the Group's plants or other places of operations.

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 on SGXNet.

Taking into consideration the Group's working capital requirements for FY2024, no dividend has been recommended or declared by the Board in respect of FY2023 as the Company recorded a loss in FY2023.

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 out 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 during FY2023.

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 which are either subsisting at the end FY2023, or if not than subsisting, entered into since the end of the previous financial year.

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 FY2023.

INFORMATION ON DIRECTORS AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES

The following are information as set out in Appendix 7F to the Catalist Rules relating to the following Directors seeking re-appointment pursuant to Rule 720(5) of 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)	24 September 2020	24 September 2020	24 September 2020
Age	76	63	73
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	After assessing Mr Tay's expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee ("**NC**") and the Board is satisfied that Mr Tay will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group. The NC is also in the view that Mr Tay has demonstrated strong independence of character and judgement in representing the interests of the minority shareholders, and recommended Mr Tay to continue to act as an independent director of the Company. The Board considers Mr Tay to be independent for the purpose of Rule 704(7) of the Catalist Rules.	After assessing Mr Tan's expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the NC and the Board is satisfied that Mr Tan will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr Tan be re-elected as Director of the Company.	After assessing Mr Yip's expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the NC and the Board is satisfied that Mr Yip will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group. The NC is also in the view that Mr Yip has demonstrated strong independence of character and judgement in representing the interests of the minority shareholders, and recommended Mr Yip to continue to act 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 Board, Member of Audit and Risk Committee, Nominating Committee and Remuneration Committee.	Managing Director and Executive Director, Member of Nominating Committee.	Independent Director, Chairman of Nominating Committee and Remuneration Committee, Member of Audit and Risk Committee.

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
Professional qualifications	Bachelor of Social Sciences (Economics) – University of Singapore	Diploma in Mechanical Engineering – Singapore Polytechnic Executive Education in Global Business Leadership and International Relations – Georgetown University's McDonough School of Business Qualified Fire Safety Manager by the Singapore Joint Civil Defence Force	Post-Graduate Diploma in Management Studies – Graduate School of Business, University of Chicago Post-Graduate Diploma in Financial Management – Stern School of Business Administration, New York University Pioneer recipient of the executive Diploma in Directorship jointly awarded by the Singapore Institute of Directors and the Singapore Management University Diploma in Banking – Chartered Institute of Bankers, London
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) Limited	**(i) July 2019 to Present** Orion-Rigel Pte Ltd – Principal Partner **(ii) March 2016 to October 2017** Advisor/Consultant of Glory Fund Management Group Pte. Ltd. **(iii) January 2010 to December 2012** Independent Advisor of SC Fulfil Consulting Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	1,600,000 ordinary shares in the Company	141,156,004 ordinary shares in the Company	Nil
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	(i) Brother of Tan Boon Siang, Executive Director and Substantial Shareholder of the Company (ii) Brother of Tan Boon Yew, Director of Asiatic Fire System Pte. Ltd. (iii) Spouse of Lee Yoke Chun, Group Admin & HR Manager of the Company	Nil

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	(i) Chemical Industries (Far East) Ltd (ii) Academy of Water safety and Swimming Private Limited (iii) Asiatravel.com Holdings Ltd (iv) Wilmar International Limited	None	(i) Pyxis Capital Partners Pte. Ltd. (ii) USP Group Limited (iii) China Essence Group Ltd. (iv) Sampire Global Pte Ltd (v) Eastlife Pte. Ltd. (vi) Maxglobe Pte. Ltd.
Present	(i) CLMV Consult (Net) Private Limited - Director (ii) PATA Consultancy Pte. Ltd. – Director and Chief Executive Officer ("**CEO**") (iii) PATA International Enterprise Pte. Ltd. – Director and CEO (iv) Cambox Investment Pte Ltd (in voluntarily liquidation) - Director (v) Cambox Pte Ltd (Cambodia) (in voluntarily liquidation) - Director	Director of Asiatic Group of companies.	Nil
Information required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**			
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
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was fi led against an entity (not	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
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?			
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
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
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 fi nding 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?			
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
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	No	No	No

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
regulatory requirement governing corporations in Singapore or elsewhere; or			
(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
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

Name of Person	Tay Kah Chye	Tan Boon Kheng	Yip Mun Foong James
Information Required Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	Not Applicable. This disclosure relates to re-appointment of Director.	Not Applicable. This disclosure relates to re-appointment of Director.	Not Applicable. This disclosure relates to re-appointment of Director.
If yes, please provide details of prior experience	Not Applicable.	Not Applicable.	Not Applicable.
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.	Not Applicable.	Not Applicable.	Not Applicable.
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	Not Applicable.	Not Applicable.	Not Applicable.

DIRECTORS' **STATEMENT**

We are pleased to present this statement to the members together with the audited consolidated financial statements of Asiatic Group (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group"), the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023.

In the opinion of the Directors,

(a) the accompanying consolidated financial statements of the Group, statement of financial position and statement of changes in equity of the Company, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2023 and the financial performance, and cash flows of the Group and the changes in equity of the Company and the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); 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, as disclosed in Note 2(b)(i) Significant judgements used in applying accounting policies - (a) Going concern.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Names of 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

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of the subsidiaries was a party to any arrangement which the object of which was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this statement.

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as follows:

	Direct interest		Deemed interest	
	As at 1.4.2022	**As at 31.3.2023**	As at 1.4.2022	**As at 31.3.2023**
The Company	Number of ordinary shares			
Tay Kah Chye	1,600,000	**1,600,000**	-	**-**
Tan Boon Kheng	141,156,004	**141,156,004**	-	**-**
Tan Boon Siang	140,232,000	**140,232,000**	-	**-**

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2023.

Except as disclosed in this statement, 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 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 "RC"). Under the Plan, all Group employees including Controlling Shareholders and their associates are eligible to participate at the discretion of the RC. The other information regarding the Plan is disclosed in Note 13 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 the financial year ended 31 March 2023.

No shares have 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 and Risk Committee ("ARC")

The ARC at the end of the financial year comprises the following members:

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

The ARC performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee carried out the following:

Audit and Risk Committee (“ARC”) (Cont’d)

(i) reviewed the overall scope of both the internal and external audits and the assistance given by the Company’s officers to the auditors. The ARC has also met with the Company’s internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company’s system of internal accounting controls;

(ii) reviewed the audit plan of the Company’s independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) reviewed the reliability and integrity of the interim and annual announcements of financial results and financial statements;

(iv) reviewed effectiveness of the Company’s and the Group’s material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditor;

(v) met with the external and internal auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

(vi) determined that no unwarranted management restrictions are being placed upon either the internal or external auditor;

(vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(viii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(ix) reviewed the nature and extent of non-audit services provided by the external auditor;

(x) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(xi) reviewed reported actions and minutes of the ARC to the board of directors with such recommendations as the ARC considered appropriate;

(xii) reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange); and

(xiii) undertook such other functions and duties as may be required by statute or the Catalist Rule and by such amendments made thereto from time to time.

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings.

The ARC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the ARC are provided in the Report on Corporate Governance.

In appointing our auditors for the Company, its subsidiaries and significant associated companies, we have complied with Rules 712 and 715 as set out in the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
TAY KAH CHYE

....
TAN BOON KHENG

Dated: 11 July 2023

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Asiatic Group (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position for the Group and the statement of financial position of the Company as at 31 March 2023, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and the statement of changes in equity of the Company 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

(i) Going concern relating to financial guarantee given to the lender of Maju Intan Biomass Energy Sdn Bhd

For the financial year ended 31 March 2023, the Group reported a loss before tax of $4.2 million. As at that date, the Group's current liabilities (which includes current loan and borrowings of $11.2 million) exceeded the Group's current assets by $16.2 million and the Company's current liabilities exceeded the Company's current assets by $14.7 million. As at 31 March 2023, the Group and the Company have cash and cash equivalents of $1.7 million and $72K respectively.

The Group and the Company have provided a financial guarantee to the lender of its associate, Maju Intan Biomass Energy Sdn Bhd ("MJE") in respect of the banking facilities extended to MJE. The lender has appointed receivers on 14 July 2022 and put MJE under receivership. As at that date, the outstanding amounts owed by MJE to its bank amounted to RM85.8 million.

On 11 April 2023, the Company and the new investor, Etagreen Management Sdn. Bhd ("EM"), have agreed to a proposed final settlement amount of RM52.5 million (equivalent to $15.4 million) which comprised a proposed scheduled repayment terms and a final lumpsum payment of RM39.5 million (equivalent to $11.6 million) on 30 June 2023. On the date of the auditor's report, the final balance of RM39.5 million has not been settled with request of extension being made to the lender notwithstanding the lender specifying that there will not be any more variations to the terms of the proposed final settlement.

Consequently, the lender may call on the financial guarantee provided by the Group and the Company, resulting in potential credit losses. The Group and the Company are unable to quantify the estimated credit losses had the proposed final settlement been not acceded to.

These conditions and events indicate the existence of multiple material uncertainties which may cast significant doubt on the ability of the Group and the Company to continue as a going concern.

Notwithstanding the above, the Group has prepared the financial statements on a going concern basis based on the reasons as disclosed in Note 2(b)(i)(a) Going Concern to the financial statements. However, 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.

Report on the Audit of the Financial Statements (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

(i) Going concern relating to financial guarantee given to the lender of Maju Intan Biomass Energy Sdn Bhd (Cont'd)

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group's and Company's Statement of Financial Position. In addition, the Group and the Company may have to reclassify the non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in the financial statements.

The audit opinion for the financial statements for the previous financial year was disclaimed for similar reason.

(ii) "Expected credit losses" (ECL) on financial guarantee extended to lender on behalf of MJE

For the financial year ended 31 March 2022, the Group and the Company had not assessed the ECL arising from the financial guarantee extended to the lender on behalf of MJE because it was unable to quantify the financial guarantee exposure that the lender would be claiming against the Company. Consequently, we were unable to ascertain the adequacy of the ECL to be provided by the Group and the Company and the adjustment, if any, that was required.

The audit opinion for the financial statements for the previous financial year was disclaimed for the above reason.

The effects of the matter have been adjusted in the current period but require a modification to the auditor's opinion because of the effects of the unresolved matter on the comparability of the corresponding figures.

(iii) Potential loss of control of the Company's subsidiary, Colben Energy (Cambodia) PPSEZ Ltd (Note 30(c))

Colben Energy (Cambodia) PPSEZ Limited ("CEZ") is a 49% indirect subsidiary of the Company (Note 4). On 14 March 2023, the other shareholder of CEZ, with equity interest of 51%, unilaterally held a General Meeting to remove one of the representatives of the Company as a director and chairman of CEZ and to remove the same representative as the authorised signatory of CEZ's bank accounts. The Company is challenging these decisions made via its legal representative.

Notwithstanding this, the Company classified CEZ as a subsidiary (Note 4) and consolidated CEZ in accordance with SFRS (I) 10, Consolidated Financial statements for the financial year ended 31 March 2023. Arising from this unilateral decision made by the other shareholder, we are unable to ascertain and determine if the Company continues to have control over CEZ, and accordingly, is unable to determine whether CEZ is appropriately classified and consolidated as a subsidiary (Note 4).

Report on the Audit of the Financial Statements (Cont'd)

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 Companies Act, 1967 (the 'Act") and Singapore Financial Reporting Standards (International), 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 Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters 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 matters 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 those affected subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Of another subsidiary incorporated in Singapore of which we are the auditors, in our opinion, the accounting and other records required by the Act to be kept by that subsidiary 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 Ho Teik Tiong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
11 July 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	The Group 2023 $'000	The Group 2022 $'000 (restated)	The Group 2021 $'000 (restated)	The Company 2023 $'000	The Company 2022 $'000
Assets						
Non-Current						
Property, plant and equipment	3	**37,645**	37,496	51,370	**3**	4
Investment in subsidiaries	4	**-**	-	-	**25,138**	23,787
Right-of-use assets	17	**1,928**	2,069	2,180	**-**	-
Goodwill	5	**175**	175	175	**-**	-
Deferred tax assets	18	**294**	-	-	**-**	-
Other investments	6	**161**	161	161	**-**	-
		40,203	39,901	53,886	**25,141**	23,791
Current						
Assets held for sale	7	**-***	-*	-*	**-**	-
Inventories	8	**3,977**	4,073	3,753	**-**	-
Trade receivables	9	**6,081**	7,280	5,844	**-**	-
Other receivables	10	**1,159**	1,379	3,178	**-**	-
Prepayments		**403**	331	396	**46**	21
Cash and short-term deposits	12	**1,698**	3,523	1,633	**72**	37
		13,318	16,586	14,804	**118**	58
Total assets		**53,521**	56,487	68,690	**25,259**	23,849
Equity and Liabilities						
Equity						
Share capital	13	**51,047**	50,585	50,585	**51,047**	50,585
Accumulated losses		**(39,506)**	(34,213)	(25,528)	**(40,607)**	(36,657)
Foreign currency translation reserve	15	**860**	(474)	(924)	**-**	-
Equity attributable to equity holders of the Company		**12,401**	15,898	24,133	**10,440**	13,928
Non-controlling interests	14	**6,035**	5,849	9,088	**-**	-
Total equity		**18,436**	21,747	33,221	**10,440**	13,928
Liabilities						
Non-Current						
Loans and borrowings	16	**3,974**	5,785	4,096	**-**	-
Lease liabilities	17	**1,451**	1,570	1,795	**-**	-
Deferred tax liabilities	18	**120**	120	1,316	**-**	-
		5,545	7,475	7,207	**-**	-
Current						
Trade payables	19	**6,903**	5,643	6,591	**-**	-
Provision for contribution to financial guarantee provided to an associated company	30	**5,052**	-	-	**5,052**	-
Provision for decommissioning costs	20	**-**	-	269	**-**	-
Provision for restructuring costs	21	**-**	-	226	**-**	-
Other payables and accruals	22	**5,231**	5,445	4,640	**587**	565
Amount due to a subsidiary	11	**-**	-	-	**9,180**	9,356
Loans and borrowings	16	**11,157**	15,170	15,636	**-**	-
Lease liabilities	17	**204**	287	400	**-**	-
Income tax payables		**993**	720	500	**-**	-
		29,540	27,265	28,262	**14,819**	9,921
Total liabilities		**35,085**	34,740	35,469	**14,819**	9,921
Total equity and liabilities		**53,521**	56,487	68,690	**25,259**	23,849

* Amount is less than $1,000

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	Year ended 31 March 2023 $'000	Year ended 31 March 2022 $'000 (restated)
Revenue			
Sale of goods	31A	**18,106**	17,786
Services rendered	31A	**23,213**	18,927
		41,319	36,713
Other income	23	**256**	801
Costs and expenses			
Cost of sales		**(27,763)**	(25,811)
Foreign exchange loss		**(1,895)**	(232)
Staff costs		**(6,612)**	(5,737)
Depreciation of property, plant and equipment	3	**(1,610)**	(2,121)
Depreciation of right-of-use assets	17	**(267)**	(312)
Reversal of/(impairment of) property, plant and equipment	3	**1,881**	(10,762)
Reversal of/(impairment of) financial assets		**668**	(108)
Expected credit loss on financial guarantee provided to an associated company	30	**(6,297)**	-
Other operating expenses		**(3,003)**	(3,547)
Finance costs	24	**(852)**	(891)
Loss before tax	25	**(4,175)**	(12,007)
Taxation	26	**(379)**	601
Loss for the year		**(4,554)**	(11,406)
Attributable to:			
- Owners of the Company		**(5,293)**	(8,685)
- Non-controlling interests		**739**	(2,721)
		(4,554)	(11,406)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation on consolidation		**1,355**	440
Other comprehensive income for the year, net of tax (Nil)		**1,355**	440
Total comprehensive loss for the year		**(3,199)**	(10,966)
Attributable to:			
- Owners of the Company		**(3,959)**	(8,235)
- Non-controlling interests		**760**	(2,731)
		(3,199)	(10,966)
		Cents	Cents
Loss per share			
- Basic and diluted	27	**(0.31)**	(0.56)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 March 2023

The Group	Attributable to owners of the Company					
	Share capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000 (restated)	Total equity $'000
Balance at 1 April 2021 (as previously reported)	50,585	(25,528)	(924)	24,133	7,162	31,295
Prior year reclassification (Note 35)	-	-	-	-	1,926	1,926
Balance at 1 April 2021 (restated)	50,585	(25,528)	(924)	24,133	9,088	33,221
Loss for the year (restarted)	-	(8,685)	-	(8,685)	(2,721)	(11,406)
Other comprehensive income						
Foreign currency translation (restated)	-	-	450	450	(10)	440
Total comprehensive loss for the year (restated)	-	(8,685)	450	(8,235)	(2,731)	(10,966)
Transactions with equity holders						
Distribution to non-controlling interests of subsidiary	-	-	-	-	(441)	(441)
Dividend to non-controlling interests	-	-	-	-	(67)	(67)
Balance at 31 March and 1 April 2022 (restated)	**50,585**	**(34,213)**	**(474)**	**15,898**	**5,849**	**21,747**
Loss for the year	**-**	**(5,293)**	**-**	**(5,293)**	**739**	**(4,554)**
Other comprehensive income						
Foreign currency translation	**-**	**-**	**1,334**	**1,334**	**21**	**1,355**
Total comprehensive loss for the year	**-**	**(5,293)**	**1,334**	**(3,959)**	**760**	**(3,199)**
Transactions with equity holders						
Issuance of shares (Note 13)	**462**	**-**	**-**	**462**	**-**	**462**
Distribution to non-controlling interests of subsidiary	**-**	**-**	**-**	**-**	**(574)**	**(574)**
Balance at 31 March 2023	**51,047**	**(39,506)**	**860**	**12,401**	**6,035**	**18,436**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF
CHANGES IN EQUITY

For the financial year ended 31 March 2023

The Company	Share capital $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 April 2021	50,585	(28,232)	22,353
Loss for the year, representing total comprehensive loss for the year	-	(8,425)	(8,425)
Balance at 31 March and 1 April 2022	**50,585**	**(36,657)**	**13,928**
Issuance of shares	**462**	**-**	**462**
Loss for the year, representing total comprehensive loss for the year	**-**	**(3,950)**	**(3,950)**
Balance at 31 March 2023	**51,047**	**(40,607)**	**10,440**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 March 2023

The Group	Note	**Year ended 31 March 2023 $'000**	Year ended 31 March 2022 $'000 (restated)
Cash Flows from Operating Activities			
Loss before taxation		**(4,175)**	(12,007)
Adjustments for:			
Depreciation of property, plant and equipment	3	**1,610**	2,121
Depreciation of right-of-use assets	17	**267**	312
Interest expense	24	**852**	891
Expected credit loss on financial guarantee provided to an associated company	30	**6,297**	-
(Reversal of)/impairment of property, plant and equipment	3	**(1,881)**	10,762
(Reversal of)/impairment of financial assets		**(668)**	108
Loss on disposal of property, plant and equipment		**-**	446
Property, plant and equipment written off		**2**	-
Interest income	23	**(21)**	(37)
Provision for stock obsolescence, net	8	**22**	-
Currency alignment		**1,831**	156
Operating profit before working capital changes		**4,136**	2,752
Decrease/(increase) in inventories		**72**	(320)
Decrease in trade and other receivables		**959**	702
Decrease/(increase) in amount due from associates	7	**710**	(80)
Decrease in provision for demobilisation cost		**-**	(233)
Decrease in provision for restructuring cost		**-**	(185)
Increase/(decrease) in trade and other payables		**1,386**	(397)
Cash generated from operations		**7,263**	2,239
Interest received		**-**	17
Income taxes paid		**(399)**	(348)
Net cash generated from operating activities		**6,864**	1,908
Cash Flows from Investing Activities			
Purchases of property, plant and equipment	3	**(485)**	(384)
Purchase of right-of-use assets		**-**	(72)
Proceeds from sale of property, plant and equipment		**303**	887
Payment of financial guarantee provided to an associated company		**(1,252)**	-
Net cash (used in)/generated from investing activities		**(1,434)**	431
Cash Flows from Financing Activities			
Net proceeds from issuance of shares	13	**462**	-
Distribution to non-controlling interests of subsidiary		**(564)**	(452)
(Repayment of)/proceeds from interest bearing term loans		**(4,400)**	1,728
(Repayment of)/proceeds from trust receipts		**(484)**	151
Repayment of principal portion of lease liabilities	17	**(328)**	(468)
Decrease in pledged fixed deposits		**349**	81
(Repayment of)/advances from related parties		**(163)**	115
Interest paid	24	**(852)**	(891)
Net cash (used in)/generated from financing activities		**(5,980)**	264
Net (decrease)/increase in cash and cash equivalents		**(550)**	2,603
Effect of exchange rate changes on cash and cash equivalents		**11**	(12)
Cash and cash equivalents at beginning of year		**1,536**	(1,055)
Cash and cash equivalents at end of year	12	**997**	1,536

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Note A: Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	As at 1 April 2022 $'000	Cash flows $'000	Interest paid $'000	Non-cash flows: Accretion of interest $'000	Non-cash flows: New leases during the year $'000	Non-cash flows: Foreign exchange movement $'000	As at 31 March 2023 $'000
Term loans from bank	**18,532**	**(4,400)**	**(721)**	**721**	**-**	**10**	**14,142**
Trust receipts	**774**	**(484)**	**-**	**-**	**-**	**-**	**290**
Non-convertible bonds (current)	**330**		**(33)**	**33**	**-**	**-**	**330**
Lease liabilities	**1,857**	**(328)**	**(98)**	**98**	**126**	**-**	**1,655**
Pledged fixed deposits (Note 12)	**(668)**	**349**	**-**	**(21)**	**-**	**8**	**(332)**
Included in Other payables and accruals: (Note 22)							
- Advances from related parties	**966**	**(163)**	**-**	**-**	**-**	**-**	**803**
	21,791	**(5,026)**	**(852)**	**831**	**126**	**18**	**16,888**

	As at 1 April 2021 $'000	Cash flows $'000	Interest paid $'000	Non-cash flows: Accretion of interest $'000	Non-cash flows: New leases during the year $'000	Non-cash flows: Foreign exchange movement $'000	As at 31 March 2022 $'000
Term loans from bank	16,799	1,728	(752)	752	-	5	18,532
Trust receipts	623	151	-	-	-	-	774
Non-convertible bonds (current)	330	-	(32)	32	-	-	330
Lease liabilities	2,195	(468)	(107)	107	130	-	1,857
Pledged fixed deposits (Note 12)	(708)	81	-	(37)	-	(4)	(668)
Included in Other payables and accruals: (Note 22)							
- Advances from related parties	851	115	-	-	-	-	966
	20,090	1,607	(891)	854	130	1	21,791

Note B:

During the previous financial year, the sales consideration for the property, plant and equipment disposed of amounted to $1,190,000, of which $303,000 (2022: $887,000) was received during the financial year.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and the Company for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.

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 4 to the financial statements.

The Group mainly operates in Singapore, Cambodia and Malaysia.

2(a) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Companies Act 1967 (the "Act"), and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information, presented in Singapore Dollar, is rounded to the nearest thousand ($'000) unless otherwise stated.

2(b) Significant judgment and use of estimates

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

(i) Significant judgement used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(a) <u>Going concern</u>

For the year ended 31 March 2023, the Group incurred a net loss after tax of $4,554,000 (2022 - $11,406,000). As at that date, the Group's current liabilities (which includes current loan and borrowings of $11,157,000) exceeded the Group's current assets by $16,222,000 (2022 - $10,679,000) and the Company's current liabilities exceeded the Company's current assets by $14,701,000 (2022 - $9,863,000).

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(a) Going concern (Cont'd)

As disclosed in Note 30, the corporate guarantees provided by the Group and Company included a guarantee of RM198.0 million (2022: RM195.5million) given to the bank of its associate, Maju Intan Biomass Energy Sdn Bhd ("MJE"), in respect of banking facilities extended to MJE. As at 31 March 2022, the outstanding amounts owed by MJE to its bank amounted to RM85.8 million.

The Group entered into a restructuring framework agreement with Lecca Group Pte. Ltd. ("Lecca") on 10 May 2022 for the sale and purchase of at least 85% of the shares in MJE, discharge by MJE's bank of existing security they hold and fundraising of up to $3 million by the Group from Lecca or its associates. On 6 July 2022, the debt restructuring proposal submitted by Lecca to MJE's bank was rejected via a letter in writing from MJE's bank solicitor, Messrs. Ramesh Dipendra Jeremiah Law for failing to comply with the following terms and conditions imposed by MJE's bank where MJE's bank had agreed to withhold legal action against MJE and the security parties until 31 May 2022:

(i) submission of substantive and concrete documentary evidence acceptable to the MJE's bank with regard to the source of financing in relation to the proposed full and final settlement of the said banking facilities, together with the payment of non-refundable deposit of RM2,000,000, both by 31 May 2022; and

(ii) submission of documentary evidence with regards to concurrence/ consent by Tenaga Nasional Berhad, Energy Commission and other authorities as required on changes of shareholdings of MJE, by 30 April 2022.

MJE's bank had vide its email dated 5 July 2022 informed MJE that they were not agreeable to the debt settlement proposal as set out in a letter dated 25 May 2022 issued by Lecca's representative. Accordingly, a letter of demand dated 6 July 2022 (the "Letter of Demand") was served in writing to the Company and which was received on 7 July 2022, demanding the repayment of RM122,176,395.90 (calculated as at 30 June 2022) (the "Repayment Amount") inclusive of profit and late payment charges within 7 days from the receipt of the Letter of Demand, failing which, the MJE's bank have been instructed to proceed with legal proceedings against MJE, and/or other security parties; and/or take any action as their client thinks fit.

As the Repayment Amount is substantial and may have a material impact on the going concern of the Company, Lecca has, through its representative, submitted a revised counter proposal to MJE's bank on 8 July 2022 to seek their approval to consider a revised settlement sum as the full and final settlement to the amount owing by MJE. On 13 July 2022, MJE's bank rejected Lecca's counter proposal and instead appointed Dato' Adam Primus Varghese bin Abdullah and Macpherson Anak Simon as Receivers and Managers (the "Receivers") of all the assets and undertakings of MJE with effect from 14 July 2022. The Company received a copy of the notification letter of the appointment of the Receivers on 14 July 2022.

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(a) Going concern (Cont'd)

The Company received a notification from the Receivers that MJE's bank had on 11 April 2023 given their acceptance to the Receivers on the settlement proposal of RM52,500,000 (the "Settlement Sum") proposed by the Receivers subject to, inter alia, the following terms and conditions:

(i) The bank deposit of RM4,000,000 MJE has with MJE's bank will be applied as repayment to MJE's bank;

(ii) Payment of RM500,000 by the individual guarantors, namely Tan Boon Kheng and Tan Boon Yew to MJE's bank by 30 April 2023 ("Individual Guarantors' Payment");

(iii) RM48,000,000 be repaid in accordance with an agreed schedule ("Balance") and the final lumpsum payment of RM39,500,000 by 30 June 2023;

(iv) settlement of all costs pertaining to the settlement arrangement including but not limited to the cost of the Receivers, the discharge of securities ("Costs"); and

(v) Consent from Credit Guarantee Corporation ("CGC") on the settlement arrangement. CGC is a government organisation in Malaysia which provided a limited guarantee under the incentive programme offered in Malaysia for investment in green energy for the loan took up by MJE previously.

On 8 May 2023, the Company's wholly owned subsidiary, Colben Energy Holdings (Maju Intan) Ltd ("CEH"), MJE and Etagreen Management Sdn. Bhd. ("EM"), the white knight, have formalised the funding needs for MJE to repay the Settlement Sum. The key terms of the arrangement are as follows:

(i) CEH will waive its rights to the pre-paid advance to MJE of RM4 million ("Advance"). The Advance was previously deposited in the bank account of MJE in August 2022 to facilitate the negotiation with MJE's Bank.

(ii) Out of the Balance amounting to RM48.5 million, CEH will assist MJE to pay RM14.5 million to MJE's Bank ("CEH's Share of the Settlement Sum");

(iii) CEH will pay for 50% of the Costs ("CEH's Share of the Costs"), which is estimated by the Company to be RM1,000,000;

(iv) Payment of RM500,000 by the individual guarantors, namely Tan Boon Kheng and Tan Boon Yew to MJE's Bank by 30 April 2023, which had been duly completed ("Individual Guarantors' Payment");

(v) EM will take over MJE for a nominal cash consideration of RM10.00; and

(vi) EM will subscribe to new shares in the capital of MJE. The subscription sums will be applied as repayment to MJE's Bank and working capital of MJE.

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(a) Going concern (Cont'd)

In view of the foregoing, CEH and EM have entered into a share purchase agreement ("SPA") dated 8 May 2023 where CEH will transfer all of its 30% shareholdings in MJE to EM for a nominal consideration of RM10.00. Under the SPA, CEH has also agreed to pay MJE's bank the CEH's Share of the Settlement Sum and the CEH's Share of the Costs. Concurrently, MJE will enter into a share subscription agreement ("SSA") with EM at a later date where EM will subscribe to a total of RM65 million of new shares (ordinary and redeemable preference) in MJE ("MJE Capital Injection"). The balance owing to MJE's bank of an estimated sum of RM32.5 million (after the repayment of the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs) will be repaid by MJE using the proceeds from the MJE Capital Injection. Any excess from the MJE Capital Injection after settling with MJE's Bank will be deployed at the absolute discretion of EM given that MJE will become wholly owned by EM by then. For the avoidance of doubt, neither CEH, the Company nor the Group will be subscribing for any shareholdings in MJE.

As EM will be organising MJE's repayment of the Settlement Sum to MJE's Bank, the parties have agreed that CEH will transfer the CEH's Share of the Settlement Sum and the CEH's Share of the Costs to EM. Under the SPA, CEH has irrevocably agreed and undertaken to pay EM the relevant amounts within six (6) months from Completion of the SPA. MJE's Bank will not allow any transfer of issuance of MJE shares until full payment of the Settlement Sum by 30 June 2023. As such, the Company is protected since the amount will only be paid to EM after Completion of the SPA (which will occur after the Settlement).

The waiver of CEH's rights to the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs are collectively referred to as the ("Group's Co-Funding"). The total amount of the Group's Co-Funding is RM19.5 million, and it represents the total amount of financial assistance CEH is providing to MJE in its settlement with MJE's Bank. Given that the Advance of RM4 million will be applied as repayment to MJE's Bank, the remaining amount to be accounted for by the Company is RM15.5 million (equivalent to $4.77 million). As at the date of this report, the final balance of RM39.5 million has not been settled with request of extension of 30 June 2023 settlement date being made to the lender.

As announced in the Company's announcement dated 31 March 2023 in relation to a proposed rights issue ("Proposed Rights Issue"), the maximum amount of proceeds to be raised in the Proposed Rights Issue is $6.1 million. The Company will apply the proceeds from the Proposed Rights Issue to fund the CEH's Share of the Settlement Sum and CEH's Share of the Costs, which amounts to RM15.5 million (equivalent to $4.77 million) as explained above. In the event that the proceeds raised from the Proposed Rights Issue only amounts to $3.3 million in the Minimum Subscription Scenario, the Company will finance the shortfall payment of $1.47 million with its positive cash flow from operations and unutilised borrowings currently available to the Group.

The above matters represent material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as a going concern.

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(a) Going concern (Cont'd)

Notwithstanding the above, in the opinion of the directors, the Group and the Company are able to continue as a going concern as the directors are of the view that the Group will continue to receive financial support from the banks and generate positive cash flows from its operations in the next twelve months. Furthermore, the Company is positive that the extension of the 30 June 2023 settlement date will be granted by MJE's bank and the SPA and SSA will be completed which will result in the settlement of all outstanding amount owing to MJE's Bank and release of corporate guarantees provided by the Group and Company to MJE's bank.

If the Group and Company are unable to continue in operational existence for the foreseeable future or complete the settlement with MJE's bank, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group and Company's balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the financial statements.

(b) Consolidation of subsidiary – Colben Energy (Cambodia) PPSEZ Limited

In determining if an investee fulfills the criteria to be consolidated as a subsidiary, the Group assesses if it 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.

Following the dispute highlighted in Note 30(c), significant judgement is involved in determining whether the subsidiary - Colben Energy (Cambodia) PPSEZ Limited continues to fufill the criteria to be treated as a subsidiary and consolidated. Management has assessed that it remains appropriate to treat Colben Energy (Cambodia) PPSEZ Limited as a subsidiary of the Group due to its rights under the Shareholder Agreement and the related agreements and the investee continues to fulfil the criteria.

(c) Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Determination of cash-generating units (CGU)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Management has identified the appropriate CGU level to be either at the business segment or at the entity level for the purpose of its assessment of impairment in non-financial assets and its investments in subsidiary companies.

2(b) Significant judgment and use of estimates (Cont'd)

(i) Significant judgement used in applying accounting policies (Cont'd)

(e) Determination of indications of impairment of non-financial assets

Management assesses whether there are any indications of impairment/indication of reversal of impairment of non-financial assets by reviewing internal and external factors/sources of information like economic, financial, industry, business and other factors affecting the assets. Where there are mixed indicators, management will exercise their judgement to determine, whether these events or circumstances indicate that the carrying amount may not be recoverable and accordingly the assets will be tested for impairment.

(f) Provision for expected credit loss on financial guarantee provided to an associated company

In determining if the provision for expected credit loss on financial guarantee provided to MJE is required, the management assess whether the Group has a present obligation as a result of the financial guarantee provided to MJE's bank and whether there is probable outflow of economic resources based on the events that occurred. Following the signing of the SPA and SSA which stated the Group's contribution to the financial guarantee representing the CEH's Share of the Settlement Sum and CEH's Share of the Costs, the management determine that such provision is now measurable because it is probable that such obligations are present as the management is confident that the SPA's and SSA's extension of the 30 June 2023 settlement date will be acceded to.

(ii) Critical accounting estimates and assumptions used in applying accounting policies

The critical accounting estimates and assumptions used are discussed below.

(a) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses (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 9. The carrying amount of trade receivables as at 31 March 2023 is $6,081,000 (2022 - $7,280,000).

2(b) Significant judgment and use of estimates (Cont'd)

(ii) Critical accounting estimates and assumptions used in applying accounting policies

(b) 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.

(c) Reversal of/impairment of non-financial assets

The Group - Property, plant and equipment
The carrying amount of property, plant and equipment as at 31 March 2023 is $37,645,000 (2022 - $37,496,000) which represent approximately 70.3% (2022 - 66.4%) of total assets on the Group's balance sheet.

The Company - Investment in subsidiaries
The carrying amount of investment in subsidiaries as at 31 March 2023 is $25,138,000 (2022 - $23,787,000) which represent approximately 99.5% (2022 - 99.7%) of total assets on the Company's balance sheet.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use or if a reversal of impairment occurs when the recoverable amount of an asset or cash generating unit exceeds its carrying value. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the forecast for the over the useful lives of the assets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2(c) Adoption of new and revised SFRS (I) effective in 2022/2023

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company have adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2(d) SFRS(I) issued but not yet effective

The Group and the Company have not adopted the following standards (which may be early adopted) applicable that have been issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
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 above standards will have no material impact on the financial statements in the period of their initial application.

2(e) Significant accounting policies

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 control 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(e) Significant accounting policies (Cont'd)

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.

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(e) Significant accounting policies (Cont'd)

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(e) – *Borrowing costs*. 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.

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

Factory buildings	60 years
Motor vehicles	5 years
Office equipment, computers, furniture and fittings	3 to 10 years
Plant and machinery	5 years
Renovations	3 to 5 years
Power plant	10 to 50 years

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

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

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

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

2(e) Significant accounting policies (Cont'd)

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.

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.

2(e) Significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

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.

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.

Associates

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

The Group accounts for its investments in associates 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.

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(e) Significant accounting policies (Cont'd)

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

Investments in debt instruments

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.

(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.

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

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.

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(e) Significant accounting policies (Cont'd)

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.

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.

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.

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(e) Significant accounting policies (Cont'd)

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.

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 *Impairment of financial assets* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

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.

Employee benefits

<u>Defined contribution plan</u>

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.

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.

2(e) Significant accounting policies (Cont'd)

Revenue (Cont'd)

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time 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 distribution services of electricity 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. The Group's sales of service generated from its maintenance services performed on its firefighting equipment are recognised at a point in time when services are rendered.

(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.

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.

(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 ending between 2023 to 2025
Office and warehouse	- Over the lease term to 2024
Office equipment	- Over the lease term ending between 2024 to 2026

The right-of-use assets are also subject to impairment. Refer to the accounting policies in 2(e) - *Impairment of non-financial assets*.

2(e) Significant accounting policies (Cont'd)

Leases (Cont'd)

(a) As lessee (Cont'd)

(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.

(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.

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(e) Significant accounting policies (Cont'd)

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

- 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.

2(e) Significant accounting policies (Cont'd)

Taxes (Cont'd)

(b) Deferred tax (Cont'd)

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.

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 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

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(e) Significant accounting policies (Cont'd)

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 Property, plant and equipment

The Group	Factory buildings $'000	Motor vehicles $'000	Office equipment, computers, furniture and fittings $'000	Plant and machinery $'000	Renovations $'000	Power plant[1] $'000	Total $'000
Cost							
At 1 April 2021	5,318	827	1,275	575	418	110,971	119,384
Additions	-	26	69	287	2	-	384
Disposal	-	(369)	(40)	-	(59)	(51,622)	(52,090)
Translation	-	-	-	-	-	772	772
At 31 March 2022	**5,318**	**484**	**1,304**	**862**	**361**	**60,121**	**68,450**
Additions	**-**	**-**	**162**	**304**	**19**	**-**	**485**
Write-off	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**
Translation	**-**	**-**	**-**	**-**	**-**	**(1,111)**	**(1,111)**
At 31 March 2023	**5,318**	**484**	**1,463**	**1,166**	**380**	**59,010**	**67,821**
Accumulated depreciation and impairment							
At 1 April 2021	2,190	752	938	302	358	63,474	68,014
Depreciation for the year	95	31	113	113	34	1,735	2,121
Impairment loss for the year	-	-	-	-	-	10,762	10,762
Disposal	-	(359)	(40)	-	(59)	(49,997)	(50,455)
Translation	-	-	-	-	-	512	512
At 31 March 2022	**2,285**	**424**	**1,011**	**415**	**333**	**26,486**	**30,954**
Depreciation for the year	**95**	**24**	**123**	**158**	**25**	**1,185**	**1,610**
Reversal of impairment loss for the year	**-**	**-**	**-**	**-**	**-**	**(1,881)**	**(1,881)**
Write-off	**-**	**-**	**(1)**	**-**	**-**	**-**	**(1)**
Translation	**-**	**-**	**-**	**-**	**-**	**(506)**	**(506)**
At 31 March 2023	**2,380**	**448**	**1,133**	**573**	**358**	**25,284**	**30,176**
Net book value							
At 31 March 2023	**2,938**	**36**	**330**	**593**	**22**	**33,726**	**37,645**
At 31 March 2022	3,033	60	293	447	28	33,635	37,496

[1] Included in power plant is land with carrying value of $3,388,000 (2022 - $3,452,000).

3 Property, plant and equipment (Cont'd)

Assets held under lease

Refer to Note 17 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 2023, the Group's power plant with carrying amount of $Nil (2022 - $33,635,000) are subject to a first charge to secure the Group's bank loans (Note 16).

In addition to assets held under lease, the Group's factory buildings with a carrying amount of $2,938,000 (2022 - $3,033,000) are mortgaged to secure the Group's bank loans (Note 16).

Impairment of assets

The Group evaluates if there is any indication of impairment in the property, plant and equipment at the end of reporting period. Carrying values of property, plant and equipment are reviewed for any impairment and possible write-down of carrying values whenever events or changes in circumstances indicate that their carrying values may not be fully recoverable. A reversal of impairment loss of $1,881,000 (2022 - impairment loss of $10,762,000) was recognised, representing the write-back (2022: impairment) of certain assets to their recoverable amount. The recoverable amount was determined based on fair value less costs of disposal ("FVLCD") of the assets that was based on valuations performed by Asian Appraisal Co. Pte. Ltd. and KEY Real Estate Co., Ltd., independent firms of valuers, on 19 June 2023 and 16 June 2023, respectively. The FVLCD is determined using a combination of investment income approach and market comparison techniques, including adjustments to reflect the specific use of the property, plant and equipment, which is a fair value hierarchy Level 3 measurement.

4 Investment in subsidiaries

The Company	**2023 $'000**	2022 $'000
Shares, at cost	**38,133**	38,133
Amounts due from a subsidiary [1]	**4,992**	4,350
	43,125	42,483
Impairment loss	**(17,987)**	(18,696)
	25,138	23,787
Movement in impairment loss:		
At beginning of year	**18,696**	10,000
(Reversal of)/impairment	**(709)**	8,696
At end of year	**17,987**	18,696

[1] Amounts due from a subsidiary represent extension of net investments in the subsidiary. The repayment of the amounts due from the subsidiary is at the sole discretion of the subsidiary.

Impairment loss

In 2023, reversal of impairment loss of $709,000 (2022 – impairment loss of $8,696,000) was made during the year, relating to the Company's investment in a subsidiary that holds an equity investment in an energy related business in Cambodia. The recoverable amount of the investment was determined based on fair value less costs of disposal ("FVLCD"). The FVLCD is determined using a revalued net assets approach comprising mainly of the valuation of property, plant and equipment (Refer to Note 3 – Property, plant and equipment) of the subsidiary as at the reporting date under the fair value hierarchy Level 3 measurement.

4 Investment in subsidiaries (Cont'd)

(a) Composition of the Group

Name of subsidiary	Principal place of business/ Country of incorporation	Cost of investment		Ownership interest		Principal activities
		2023	2022	**2023**	2022	
		$'000	$'000			
Held by the Company						
Asiatic Fire System Pte Ltd *	Singapore	**8,284**	8,284	**100%**	100%	Supply, installation and maintenance of firefighting and protection equipment
Colben System Pte Ltd *	Singapore	**19,849**	19,849	**100%**	100%	Business of controlled power supply, engineering and procurement and construction in power generation projects and precision gear products
Colben Energy (Singapore) Pte Ltd *	Singapore	**10,000**	10,000	**100%**	100%	Holding company for the Group's investments in energy related business in the region
		38,133	38,133			

	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2023	2022	
Held by subsidiaries				
Colben Energy Holdings (Cambodia) Ltd #	British Virgin Islands	**85%**	85%	Investment holding company
Colben Energy Holdings (PPSEZ) Ltd #	British Virgin Islands	**95%**	95%	Investment holding company
Colben Energy Holdings (Maju Intan) Ltd #	British Virgin Islands	**100%**	100%	Investment holding company and construction of power generation facilities
Colben Energy (Cambodia) Limited **+	Cambodia	**85%**	85%	Operate power plant
Colben Energy (Cambodia) PPSEZ Limited **##+	Cambodia	**49%**	49%	Operate power plant

* Audited by Foo Kon Tan LLP, Singapore
** Audited by BDO (Cambodia) Ltd, Cambodia
+ Audited by Foo Kon Tan LLP, Singapore for the purpose of consolidation of the Group
# Not required to be audited by the law of its country of incorporation
Classified as subsidiary as the Company has effective control over the board of directors of this company

4 Investment in subsidiaries (Cont'd)

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

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-Controlling interest		Profit/(loss) allocated to NCI during the reporting period		Accumulated NCI at the end of the reporting period	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	**$'000**	$'000	**$'000**	$'000
Colben Energy (Cambodia) PPSEZ Limited	Cambodia	**27##**	27##	**840**	(2,563)	**5,042**	4,281

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%.

(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	
	2023	2022
	$'000	$'000
Current:		
Assets	**3,972**	3,004
Liabilities	**(27,264)**	(28,418)
Net current liabilities	**(23,292)**	(25,414)
Non-current:		
Assets	**36,609**	36,469
Liabilities	**-**	-
Net non-current assets	**36,609**	36,469
Net assets	**13,317**	11,055

Summarised statement of comprehensive income

	Colben Energy (Cambodia) PPSEZ Limited	
	2023	2022
	$'000	$'000
Revenue	**20,182**	16,527
Profit/(loss) before income tax	**3,161**	(10,451)
Taxation	**(50)**	958
Profit/(loss) after tax	**3,111**	(9,493)
Other comprehensive income	**(275)**	90
Total comprehensive income	**2,836**	(9,403)
Other summarised information		
Net cash flows from operations	**3,981**	1,997
Repayment of amount due to non-controlling interests	**(564)**	(452)

5 Goodwill

The Group	2023 $'000	2022 $'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.

6 Other investments

The Group	2023 $'000	2022 $'000
Non-current:		
At fair value through profit or loss		
- key-man insurance product	**161**	161

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.

7 Assets held for sale

Following the termination of the previous sale and purchase agreement ("previous SPA") with Hualang Renewable Energy Sdn Bhd ("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 on 9 May 2022, the Company entered into a new sale and purchase agreement ("SPA") with Etagreen Management Sdn. Bhd. ("EM") to sell all shares in MJE for a nominal consideration of RM10 on 8 May 2023. More details on the terms of the SPA entered with EM and subsequent developments are detailed in Note 2(b)(i)(a) Going concern.

The major classes of assets classified as held for sale as at 31 March 2023 are as follows:

The Group	2023 $'000	2022 $'000
Assets		
Investment in associate	**-***	-*
Other investments - 12% p.a. convertible bonds (unquoted)	**-**	-
Amounts due from associate	**-**	-
	-*	-*

* Amount is less than $1,000

7 Assets held for sale (Cont'd)

Amounts due from associate

During the year, the Group provided advances of $Nil (2022 - $80,000) to an associate that is classified as held for sale. These advances were fully impaired as management viewed these balances to be irrecoverable in view of the latest developments that MJE has went into receivership (Note 2(b)(i)(a) - Going concern).

The Group	2023 $'000	2022 $'000
Amounts due from associate	22,239	24,346
Less: Allowance for impairment	(22,239)	(24,346)
	-	-
Movement in allowance accounts:		
At beginning of year	24,346	24,428
Charge for the year	-	80
Write back for the year	(710)	-
Foreign exchange movement	(1,397)	(162)
At end of year	22,239	24,346

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 RM12 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.

8 Inventories

The Group	2023 $'000	2022 $'000
Balance sheet:		
Trading stocks, at cost	4,047	4,121
Less: Allowance for stock obsolescence	(70)	(48)
	3,977	4,073
Income statement:		
Inventories recognised as an expense in cost of sales (Note 25)	10,213	11,125
Provision for/(write-back of) stock obsolescence, net	22	-

9 Trade receivables

The Group	2023 $'000	2022 $'000
Trade receivables	**6,333**	7,490
Less: Impairment losses		
At beginning of year	**210**	206
Charge for the year	**42**	35
Write-back	**-**	(6)
Write-off	**-**	(25)
At end of year	**252**	210
	6,081	7,280

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

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

The Group	2023 $'000	2022 $'000
United States Dollar	**139**	161

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	**6,081**	7,280	**-**	-
Other receivables (Note 10)	**1,159**	1,379	**-**	-
Cash and short-term deposits (Note 12)	**1,698**	3,523	**72**	37
	8,938	12,182	**72**	37
Less:				
Advances to supplier (Note 10)	**(610)**	(650)	**-**	-
GST receivables (included in Sundry debtors (Note 10))	**(17)**	(14)	**-**	-
Total financial assets carried at amortised cost	**8,311**	11,518	**72**	37

10 Other receivables

The Group	2023 $'000	2022 $'000
Deposits	**191**	203
Advances to supplier	**610**	650
Sundry debtors	**358**	526
	1,159	1,379

11 Amount due to a subsidiary

Amount due to a subsidiary which relates to payment on behalf and advances received, is non-trade in nature, unsecured, interest-free and repayable in cash upon demand.

12 Cash and short-term deposits

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at banks and on hand	**1,366**	2,855	**72**	37
Short-term deposits	**332**	668	**-**	-
Cash and short-term deposits	**1,698**	3,523	**72**	37

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 6.50% (2022 - 5.75%) p.a. Short-term deposits amounting to $332,000 (2022 - $668,000) are pledged to secure banking facilities (Note 15) granted to certain subsidiaries.

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

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
United States Dollar	**164**	484	**13**	13
Cambodian Riel	**81**	193	**-**	-

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

	2023	2022
The Group	**$'000**	$'000
Cash at banks and on hand	**1,366**	2,855
Short-term deposits	**332**	668
Bank overdrafts (Note 16)	**(369)**	(1,319)
	1,329	2,204
Less:		
Pledged short-term deposits	**(332)**	(668)
	997	1,536

13 Share capital

	The Group and The Company			
	No. of ordinary share		Amount	
	2023	2022	**2023**	2022
	'000	'000	**$'000**	$'000
Issued and fully paid ordinary shares:				
At beginning of the year	**1,556,463**	1,556,463	**50,585**	50,585
Shares issued	**185,185**	-	**500**	-
Share issue expenses	**-**	-	**(38)**	-
	185,185	-	**462**	-
At end of year	**1,741,648**	1,556,463	**51,047**	50,585

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.

On 1 February 2023, the Company issued 185,185,185 ordinary shares for a total consideration of $500,000 in respect of the proposed settlement of $500,000 refundable deposit provided by Lecca Group Pte. Ltd..

13 Share capital (Cont'd)

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

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

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

The information regarding the Plan is as follows:

(a) All Group employees are eligible participants of the Plan to receive Awards, which represent the right to receive fully paid shares of the Company free of charge.

(b) The number of shares which may be vested is limited to the following:

(i) The aggregate number of shares over which Awards may be granted, when added to the number of shares issued and issuable in respect of all Awards granted under the Plan shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the Award.
(ii) The aggregate number of Shares that are available to the Controlling Shareholders (defined generally as a person who holds directly or indirectly a shareholding of 15% 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.

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

14 Non-controlling interest (restated – Note 35)

This includes contribution by/distribution to non-controlling interests of subsidiary that are at the sole discretion of the Group's entity.

15 Foreign currency translation reserve (restated – Note 35)

The Group	2023 $'000	2022 $'000 (restated)
At beginning of year	**(474)**	(924)
Net effect of exchange differences arising from translation of financial statements of foreign operations	**1,334**	450
At end of year	**860**	(474)

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.

16 Loans and borrowings

		The Group		The Company	
	Maturity	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Current:					
Bank overdrafts (Note 12)	On demand	**369**	1,319	**-**	-
Term loans from banks	2024 (2022: 2023)	**10,168**	12,747	**-**	-
Trust receipts	2024 (2022: 2023)	**290**	774	**-**	-
Non-convertible bonds					
- Guaranteed bonds	2024 (2022: 2023)	**200**	200	**-**	-
- Non-guaranteed bonds	2024 (2022: 2023)	**130**	130	**-**	-
		11,157	15,170	**-**	-
Non-current:					
Term loans from banks	2025 - 2026 (2022: 2024 –2026)	**3,974**	5,785	**-**	-
Total loans and borrowings		**15,131**	20,955	**-**	-

Bank overdrafts

Bank overdrafts bear interest at 5.75% to 6.75% p.a. (2022 - 5.75% to 9.75% p.a.), are repayable on demand and are secured by corporate guarantee provided by the Company.

Term loans from banks

Term loans from banks bear interest ranging from 1.76% to 6.83% p.a. (2022 - 1.44% to 9.50% p.a.) and are secured by corporate guarantee provided by the Company. Term loans amounting to $Nil (2022 - $10,683,000) are also secured by first fixed charge over certain property, plant and equipment (Note 3) and $Nil (2022 - $677,000) are secured by fixed deposits (Note 12) amounting to $Nil (2022 - $421,000).

Trust receipts

Trust receipts bear interest ranging from 1.95% to 5.91% p.a. (2022 - 1.94% to 2.61% p.a.) and are secured by corporate guarantee provided by the Company.

16 Loans and borrowings (cont'd)

Guaranteed bonds

As at 31 March 2023, the Group had non-convertible guaranteed bonds amounting to $50,000, $100,000 and $50,000 which are due on 30 June 2023, 30 April 2023 and 31 December 2023 respectively (2022 - $50,000, $100,000 and $50,000 which are due on 30 June 2022, 30 April 2022 and 31 December 2022). These bonds bear interest at 10% (2022 - 10%) per annum. The interest is payable semi-annually in arrears. The bonds are guaranteed by the Company and a subsidiary.

Subsequent to year-end, the maturity of the bonds due on 30 June 2023 amounting to $50,000 was extended till 31 December 2023 while the bonds due on 30 April 2023 amounting to $100,000 was extended till 30 April 2024.

Non-guaranteed bonds

As at 31 March 2023, the Group had non-convertible non-guaranteed bonds amounting to $130,000 which were due on 14 November 2023. This bond bears interest of 10% per annum which is payable semi-annually in arrears.

17 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:

The Group	Leasehold land $'000	Office and warehouse $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
At 1 April 2021	1,389	229	542	20	2,180
Additions	-	-	198	4	202
Depreciation expense	(42)	(149)	(117)	(4)	(312)
Translation	(1)	-	-	-	(1)
At 31 March 2022	**1,346**	**80**	**623**	**20**	**2,069**
Additions	**-**	**126**	**-**	**-**	**126**
Depreciation expense	**(42)**	**(122)**	**(99)**	**(4)**	**(267)**
At 31 March 2023	**1,304**	**84**	**524**	**16**	**1,928**

17 Leases (Cont'd)

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

The Group	2023 $'000	2022 $'000
At beginning of year	**1,857**	2,195
Additions	**126**	130
Accretion of interest	**98**	107
Payments of principal	**(328)**	(468)
Payments of interest	**(98)**	(107)
	(426)	(575)
Exchange differences	**-**	-
At end of year	**1,655**	1,857
Current	**204**	287
Non-current	**1,451**	1,570
	1,655	1,857

The maturity analysis of lease liabilities based on contractual undiscounted repayment obligations are disclosed in Note 32.3.

The following are the amounts recognised in profit or loss:

The Group	2023 $'000	2022 $'000
Depreciation expense of right-of-use assets	**267**	312
Interest expense on lease liabilities (Note 24)	**98**	107
Expense relating to short-term leases (Note 25)	**68**	19
Total amount recognised in profit or loss	**433**	438

Lease liabilities bear interest ranging from 2.70% to 5.25% per annum (2022 - 2.70% to 5.25% per annum).

The Group had total cash outflows for leases of $494,000 in 2023 (2022: $594,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $126,000 in 2023 (2022: $130,000).

18 Deferred tax

Movements in deferred tax during the financial year were as follows:

The Group	2023 $'000	2022 $'000
Deferred tax asset:		
Balance at beginning of year	**-**	-
Credit for the year (Note 26)	**303**	-
Translation	**(9)**	-
Balance at end of year	**294**	-
Deferred tax liabilities:		
Balance at beginning of year	**120**	1,316
Reversal for the year (Note 26)	**-**	(1,199)
Translation	**-**	3
Balance at end of year	**120**	120

18 Deferred tax (Cont'd)

Deferred tax as at 31 March relates to the following:

The Group	2023 $'000	2022 $'000
Deferred tax		
Differences in depreciation for tax purposes	**174**	(120)
Reflected in the statement of financial position as follows:		
Deferred tax asset	**294**	-
Deferred tax liabilities	**(120)**	(120)

Unrecognised temporary differences relating to investments in subsidiaries and associates

As at 31 March 2023 and 31 March 2022, 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.

19 Trade payables

	The Group		The Company	
	2023 $'000	2022 $'000 (restated)	2023 $'000	2022 $'000
Trade payables	**6,903**	5,643	**-**	-
Other payables and accruals (Note 22)	**5,231**	5,445	**587**	565
Total trade and other payables	**12,134**	11,088	**587**	565
Add: Provision for contribution to financial guarantee provided to an associated company (Note 30)	**5,052**	-	**5,052**	-
Less:				
Withholding tax payable (Note 22)	**(384)**	(387)	**-**	-
Deferred income (Note 22)	**(97)**	(173)	**-**	-
Advances from customers (Note 22)	**(57)**	(36)	**-**	-
GST payables (included under sundry payables (Note 22))	**(92)**	(117)	**(22)**	(23)
Total trade and other payables,at amortised cost	**16,556**	10,375	**5,617**	542

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

Included in trade payables are amounts due to a licensed transmission services provider (the "supplier") owned by the son of a former director (resigned with effect from 1 June 2021) of Colben Systems Pte Ltd, amounting to $2,791,000 (2022 - $1,440,000) as at 31 March 2023. During the year, the Group procured electricity transmission services from the supplier amounting to $1,105,000 (2022 - $902,000) pursuant to an electricity supply contract between the Group and the supplier dated 22 December 2009. The Group also incurs electricity tariffs that are paid through the supplier to a state-owned utility company amounting to $16,724,000 (2022 - $13,586,000). The rates for both transmission services and electricity tariffs are regulated by the local authorities.

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

The Group	2023 $'000	2022 $'000
United States Dollar	**277**	29
Euro	**193**	35
British Pound	**36**	21

20 Provision for decommissioning costs

The Group
Provision for decommissioning costs was related to costs incurred for the decommissioning of power plant assets of a subsidiary.

21 Provision for restructuring costs

The Group
Provision for restructuring costs was related to cost incurred for the restructuring of the operations of a subsidiary.

22 Other payables and accruals

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000 (restated)	**$'000**	$'000
Accruals	**2,456**	2,436	**316**	243
Deferred income	**97**	173	**-**	-
Sundry payables	**1,434**	1,447	**219**	208
Advances from customers	**57**	36	**-**	-
Withholding tax payable	**384**	387	**-**	-
Advances from related parties	**803**	966	**52**	114
	5,231	5,445	**587**	565

Advances from related parties

These relates to amounts advanced by directors and the spouse of a director. The amounts are unsecured, non-interest bearing and repayable on demand.

23 Other income

The Group	**2023 $'000**	2022 $'000
Interest income	**21**	37
Government grants	**185**	684
Compensation income	**-**	1
Others	**50**	79
	256	801

Government grants

Government grant mainly relates to COVID-19 relief provided by the Singapore government to ease the financial strain on the Group.

24 Finance costs

The Group	2023 $'000	2022 $'000
Interest expense on:		
- Bank loans	**(721)**	(752)
- Non-convertible bonds	**(33)**	(32)
- Lease liabilities (Note 17)	**(98)**	(107)
	(852)	(891)

25 Loss before taxation

The Group	2023 $'000	2022 $'000 (restated)
Loss before taxation is arrived at after (charging)/crediting:		
Audit fees payable to:		
- Auditors of the Company	**(84)**	(84)
- Other auditors	**(27)**	(17)
Contributions to defined contribution plans	**(385)**	(388)
Insurance	**(157)**	(211)
Inventories recognised as an expense in cost of sales (Note 8)	**(10,213)**	(11,125)
Electricity tariff incurred from a supplier in cost of sales	**(16,724)**	(13,586)
Legal compensation (Note 30)	**-**	(625)
Legal fees	**(268)**	(986)
Late payment interest to a supplier in Cambodia (Note 30)	**(626)**	(573)
Expense relating to short term leases (Note 17)	**(68)**	(19)
Travelling and transportation	**(116)**	(97)

26 Taxation

The major components of taxation for the financial years ended 31 March 2023 and 2022 are:

The Group	2023 $'000	2022 $'000
Current income tax:		
Current taxation	**(734)**	(541)
Over/(under)provision in respect of previous years	**52**	(57)
Deferred tax:		
Relating to origination and reversal of temporary differences	**(279)**	498
Over provision in respect of previous years	**582**	701
(Note 18)	**303**	1,199
Tax (expense)/credit recognised in profit or loss	**(379)**	601

26 Taxation (Cont'd)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying each entity's domestic income tax rate on the accounting loss as a result of the following:

The Group	2023 $'000	2022 $'000 (restated)
Loss before taxation	4,175	12,007
Income tax at 17% tax rate (2022 - 17%)	710	2,041
Effect of different tax rates in foreign countries	(315)	174
Income not subject to tax	-	89
Expenses not deductible for tax purposes	(911)	(1,918)
Minimum tax imposed	-	(183)
Effect of partial tax exemption and tax relief	17	17
Deferred tax assets not recognised	(513)	(247)
Over provision in respect of previous years	634	644
Others	(1)	(16)
	(379)	601

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

For the financial year ended 31 March 2023, expenses not deductible for tax purposes mainly relate to expected loss on financial guarantee provided to an associated company and depreciation of non-qualifying assets (2022: impairment of property, plant and equipment and depreciation of non-qualifying assets).

As at 31 March 2023, the Group has unutilised tax losses of approximately $7,442,000 (2022 - $5,259,000) 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 is 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.

27 Loss 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. There are no dilutive potential ordinary shares as at 31 March 2023 and 2022.

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:

The Group	2023 $'000	2022 $'000 (restated)
Loss for the year attributable to owners of the Company	(5,293)	(8,685)

27 Loss per share (Cont'd)

The Group	No. of shares 2023 '000	2022 '000
Weighted average number of ordinary shares for basic and dilutive earnings per share computation*:	**1,712,729**	1,556,463

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

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

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.

28 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:

The Group	2023 $'000	2022 $'000
Purchase of goods from a firm owned by the spouse of a director	**162**	186
Sale of goods to a firm owned by the spouse of a director	**142**	90

(b) Key management personnel *

Included in staff costs:

The Group	2023 $'000	2022 $'000
Directors' remuneration	**726**	696
Executive officers' remuneration	**480**	439

* Included in the above remuneration for the Group is payment for defined contribution plans of $57,000 as at 31 March 2023 (2022 - $39,000).

29 Directors' remuneration

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

The Group	2023	2022
	Number of directors	
$250,000 - $499,999	**2**	2
Below $250,000	**3**	3
Total	**5**	5

30 Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US$1.0 million (31 March 2022: US$2.2 million) and $29.4 million (31 March 2022: $28.8 million) have 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 RM198.0 million (31 March 2022: RM195.5 million) to MJE's bank to secure banking facilities granted to MJE (Note 2(b)(i)(a) – Going concern).

The Board of Directors has assessed the expected credit losses on the corporate guarantees provided to MJE's bank and is of the view that the expected credit losses of Colben Energy Holdings (Maju Intan) Ltd's ("CEH") Share of the Settlement Sum and Share of the Costs under the SPA amounted to $6,297,000 (approximates RM20.7 million) and was disclosed as "Expected loss on financial guarantee provided to an associated company" under the consolidated statement of profit or loss for the financial year ended 31 March 2023. As at 31 March 2023, the provision amounted to $5,052,000 (2022: $Nil).

Legal claims

(a) Claims by Guan Heng Construction Sdn Bhd

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 $1,174,000 (equivalent to RM3,646,000). A Statement of Defence and Counterclaim has been filed by Colben Energy Holdings (Maju Intan) Ltd on 22 September 2020 to make a counterclaim against Guan Heng Construction Sdn Bhd. As at 31 March 2023, there are no further development on the claims and counterclaims filed.

(b) Receipt of a civil judgment in relation to legal proceedings with Kampuchea Tela Limited ("Tela"), a supplier of Colben Energy (Cambodia) Limited ("Colben Cambodia")

The Group's announcements released on 17 February 2022, 14 November 2022, 23 November 2022 and 5 January 2023 made reference to a civil judgement between Tela and Colben Cambodia. On 2 November 2022, Colben Cambodia finally received translated copies of the civil judgment no. 127 dated 9 February 2022 issued by the Phnom Penh Court listing the following amounts or actions to be taken by Colben Cambodia and Colben System (as a co-defendant):

i. Repayment of approximately US$2,075,000 to Tela;
ii. To pay a penalty interest at the rate of 2% per month on the amount of approximately US$2,075,000 from June 2021 until the outstanding amount is fully repaid;
iii. An order that Colben Cambodia and Colben System to pay damages, compensations, and legal service fees of US$10,000, and any claim above this amount shall be dismissed;
iv. Declare provisional execution of the above (a) of the judgment; and
v. Litigation costs shall be borne by Colben Cambodia and Colben System.

As at 31 March 2023, Tela has yet to enforce their request for the repayment of outstanding amount due to them. Notwithstanding that, the Company will try to negotiate with Tela to see how it can work out a payment plan for the amount of approximately US$1,027,000 being the difference between approximately US$1,048,000, being the amount receivable from EDC and approximately US$2,075,000, being the amount payable to Tela by Colben Cambodia.

The Company will provide further update to shareholders, as and when appropriate, should there be any material development concerning the above.

30 Commitments and contingencies (Cont'd)

Legal claims (Cont'd)

(c) Provisional Court Order for the implementation of resolutions passed by joint venture partner, Phnom Penh SEZ Plc, ("PPSEZ")

On 21 February 2023, the Group was notified by the joint venture partner of Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ"), a 49% indirect subsidiary of the Company, held by Colben Energy Holdings (PPSEZ) Limited, a 95% indirect subsidiary of the Company, to call for a shareholders' meeting to be held on 14 March 2023 to vote on the following (amongst other matters):

1. To agree to PPSEZ, which is officially amended to Royal Group Phnom Penh SEZ Plc, as shareholders of 51% of the shares of Colben PPSEZ, to take control over Colben PPSEZ.
2. To remove Mr Tan Boon Kheng from the Director and Chairman of the Board of Directors of Colben PPSEZ to be tabled thereat as mentioned in the Letter to Colben PPSEZ.
3. To appoint Mr Wong Pang Nam as Chairman, to be the representative of PPSEZ and to lead and manage Colben PPSEZ.
4. To appoint Mr Hiroshi Uematsu as a director.
5. To remove Mr Tan Boon Kheng and appoint Mr Hiroshi Uematsu in place of Mr Tan Boon Kheng as authorised signatory to all Colben PPSEZ's banking accounts.

(collectively, the "Request Agendas")

On 10 March 2023, the Group has sent a legal letter through to representative of PPSEZ (i) to reject the Letter calling for the General Meeting of Colben PPSEZ; and (ii) to reject the Request Agendas pertaining to the changes to the composition of the board of directors of Colben PPSEZ, based on the following grounds:

1. The Letter was served by the PPSEZ Representative in his capacity as a director of Colben PPSEZ, and on the letterhead of Colben PPSEZ, which was procedurally invalid based on the Law on Commercial Enterprise 2003 and the Statute of PPSEZ, where the General Meeting of Colben PPSEZ can only be called by the majority of the member of the board of directors of Colben PPSEZ or by the chairman of Colben PPSEZ.

   The PPSEZ Representative who issued the Letter is not representing the majority of the member of the board of directors of Colben PPSEZ, and is not the chairman of Colben PPSEZ.

2. The Request Agendas pertaining to the request for changes in the composition of the board of directors of Colben PPSEZ is not in accordance with the Shareholders Agreement relating to PPSEZ that was entered into by CEH and PPSEZ on 6 October 2008 ("SHA"), where the SHA stated that the provisions of the SHA shall prevail over the statute of Colben PPSEZ.

   It was indicated in the SHA that any changes or removal of any director can only be made by the shareholder that appointed him/her, and accordingly, only CEH is able to remove Mr Tan Boon Kheng as Director and Chairman of Colben PPSEZ

However, on 14 March 2023, PPSEZ unilaterally held a General Meeting of the shareholders of Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ") at Colben PPSEZ's office. No representative from Colben Energy Holdings (PPSEZ) Limited ("CEH") was present at the purported meeting,

On 27 March 2023, Colben PPSEZ received a provisional court order (Provisional Disposition No.128) from the representative of PPSEZ issued in Khmer language. The Legal Representative had translated the court order translated into English on 28 March 2023 and understood that this provisional court order was applied with the Phnom Penh Court of First Instance to implement the resolutions that were passed at the procedurally invalid General Meeting.

30 Commitments and contingencies (Cont'd)

Legal claims (Cont'd)

(c) Provisional Court Order for the implementation of resolutions passed by joint venture partner, Phnom Penh SEZ Plc, ("PPSEZ") (Cont'd)

On the same day, the Group has through CEH gave a formal notice to PPSEZ to exercise its full rights under the SHA and the related agreements, to convert all the outstanding loan owed by PPSEZ immediately to CEH for an outstanding amount of US$5.934 million (the "Loan") (equivalent to $7.890 million) to 1,186,772 ordinary shares of a par value of US$5 per share, either by way of a transfer of shares from PPSEZ to CEH, or failing which, new shares will be issued to CEH by Colben PPSEZ. Upon the transfer of shares by PPSEZ or by issuance of new 1,186,772 ordinary shares in Colben PPSEZ, CEH will effectively own 77% in Colben PPSEZ against 23% by PPSEZ.

On 29 March 2023, the Group has through its Legal Representative filed a notice of objection against PPSEZ with the Cambodia Court to object to the provisional court order issued by the Phnom Penh Court of First Instance to implement the resolutions that were passed at the procedurally invalid General Meeting and to stop PPSEZ from carrying out any further damaging action relating to the procedurally invalid General Meeting of Colben PPSEZ held on 14 March 2023.

The Group has also through its Legal Representative sent a notice in writing to the Council for the Development of Cambodia ("CDC"), Ministry of Commerce of Cambodia ("MOC") and its Cambodia bankers to take preventive measures against the proposed invalid resolutions passed at the General Meeting of Colben PPSEZ which was not held according to the requirements of the Law on Commercial Enterprises (as amended) and pursuant to the terms and conditions of the SHA and the joint venture agreement dated 21 October 2006 and amended on 6 November 2007 (collectively, the "JVA").

31 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 Protection Solutions

With a focus on supplying, installing and maintaining firefighting and protection equipment

(ii) Energy Services

With a focus on power generation and the distribution of controlled power supply

These operating segments are reported in a manner consistent with internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

31 Segments information (Cont'd)

(a) Business segment (Cont'd)

The Group	Note	Fire Protection Solutions 2023 $'000	Fire Protection Solutions 2022 $'000	Energy Services 2023 $'000	Energy Services 2022 $'000 (restated)	Adjustments and eliminations 2023 $'000	Adjustments and eliminations 2022 $'000	Total 2023 $'000	Total 2022 $'000 (restated)
Revenue	A	**21,138**	20,134	**20,181**	16,579	**-**	-	**41,319**	36,713
Results:									
Other income	B	**785**	777	**29**	70	**(558)**	(46)	**256**	801
Interest income		**21**	-	**-**	37	**-**	-	**21**	37
(Impairment of)/reversal of impairment of financial assets		**(41)**	(28)	**709**	(80)	**-**	-	**668**	(108)
Depreciation of right-of-use assets		**(267)**	(312)	**-**	-	**-**	-	**(267)**	(312)
Depreciation of property, plant and equipment		**(423)**	(383)	**(1,187)**	(1,738)	**-**	-	**(1,610)**	(2,121)
Expected loss on financial guarantee provided to an associated company		**-**	-	**(6,297)**	-	**-**	-	**(6,297)**	-
Reversal of/(impairment) of property, plant and equipment		**-**	-	**1,881**	(10,762)	**-**	-	**1,881**	(10,762)
Finance costs	B	**(627)**	(181)	**(741)**	(710)	**516**	-	**(852)**	(891)
Segment profit/(loss)	C	**3,200**	2,143	**(6,523)**	(13,259)	**(852)**	(891)	**(4,175)**	(12,007)
Assets:									
Additions to property, plant and equipment		**485**	384	**-**	-	**-**	-	**485**	384
Additions to right-of-use assets		**126**	202	**-**	-	**-**	-	**126**	202
Segment assets	D	**30,318**	30,583	**38,211**	39,850	**(15,008)**	(13,946)	**53,521**	56,487
Segment liabilities	E	**16,691**	17,287	**61,524**	56,986	**(43,130)**	(39,533)	**35,085**	34,740

31 Segments information (Cont'd)

(a) Business segment (Cont'd)

A Revenue from Fire Protection Solutions segment is recognised at a point in time while revenue from power-related segment is over time.

B Inter-segment revenues and expenses are eliminated on consolidation.

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

The Group	2023 $'000	2022 $'000
Finance costs	(852)	(891)

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

The Group	2023 $'000	2022 $'000
Inter-segment assets	(15,598)	(14,183)
Goodwill	175	175
Deferred tax assets	294	-
Unallocated assets	121	62
	(15,008)	(13,946)

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

The Group	2023 $'000	2022 $'000
Inter-segment liabilities	(44,831)	(40,938)
Income tax payables	993	720
Unallocated liabilities	588	565
Deferred tax liabilities	120	120
	(43,130)	(39,533)

(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	Total $'000
2023				
Revenues	19,247	20,181	1,891	41,319
Non-current assets	8,246	31,663	-	39,909
2022				
Revenues	18,509	16,568	1,636	36,713
Non–current assets	8,468	31,433	-	39,901

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

31 Segments information (Cont'd)

Information about major customers

There is no revenue from transactions with a single external customer that amount to 10% or more of the Group's revenue in financial year ended 31 March 2023 (2022: $4,036,041 from two major customers in the financial year ended 31 March 2022 arising from sales by the fire protection solutions and energy services segment).

32 Financial risk management objectives and policies

The Group and the Company have financial risk management policies setting out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its diversified operations and the use of financial instruments. The financial risks included market price risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets on the Group's and the Company's financial performance.

The Company co–ordinates, under the directions of the directors, financial risk management policies and their implementation on a group–wide basis. The Group's policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. It is the Group's policy not to enter into derivative transactions for speculative purposes.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

32.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

32.1.1 Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates which leads to the fluctuation of the fair value or future cash flows of the financial instruments.

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 2023, 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 2023 would have been $52,000 and $2,000 lower/higher (2022 - $64,000 and $2,000) 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 volatility as in prior years.

32 Financial risk management objectives and policies (Cont'd)

32.1.2 Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

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 asset of $26,000 (2022 - $613,000) for the Group. The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Cambodia and Malaysia.

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.

The Group	2023 $'000	2022 $'000
USD		
- strengthened by 5% (2022 - 5%)	(1)	(31)
- weakened by 5% (2022 - 5%)	1	31

32.1.3 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group does not have any exposure to market price risks. Accordingly, no sensitivity analysis is disclosed.

32.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss.

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)

32.2 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>Amounts due from associate</u>

The Group provides for full impairment on the amounts due from associate as management has assessed that these balances are irrecoverable in view that MJE has went into receivership subsequent to the 31 March 2023.

<u>Expected credit loss ("ECL") on financial guarantee</u>

The Group and the Company have assessed the ECL of RM 20.7 million on the financial guarantee given to the lender of MJE based on the proposed settlement offer by the Receivers. The ECL is calculated based on the Share of the Settlement Sum and Share of the Costs under the SPA.

<u>Trade receivables</u>

The Group has determined that the expected credit losses for all trade receivables from the Energy Services segment to be insignificant as the trade receivables are collaterised by deposits paid by the customers for subscription to the supply of electrical consumption.

The Group provides for lifetime expected credit losses for all trade receivables from the Fire Protection Solutions 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 2023 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast industry performance.

32 Financial risk management objectives and policies (Cont'd)

32.2 Credit risk (Cont'd)

Trade receivables (Cont'd)

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

	Current $'000	Past due less than 30 days $'000	Past due more than 30 days $'000	Past due more than 60 days $'000	Past due more than 90 days $'000	Total $'000
2023						
Gross carrying amount	**2,536**	**946**	**331**	**70**	**348**	**4,231**
Loss allowance provision	**(13)**	**(1)**	**(2)**	**(4)**	**(232)**	**(252)**
2022						
Gross carrying amount	1,670	1,039	634	226	517	4,086
Loss allowance provision	(8)	(1)	(3)	(13)	(185)	(210)

Information regarding loss allowance movement of trade receivables is disclosed in Note 9.

Excessive risk concentration

Concentration arises 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$1.0 million (2022 - US$2.2 million), $29.4 million (2022 - $28.8 million) and RM198.0 million (2022 – 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:

	2023		2022	
	$'000	% of total	$'000	% of total
By country:				
Singapore	**3,755**	**62**	3,577	49
Cambodia	**2,102**	**35**	3,403	47
Indonesia	**54**	**1**	161	2
Others	**170**	**2**	139	2
	6,081	**100**	7,280	100
By industry sectors:				
Fire Protection Solutions	**3,979**	**65**	3,877	53
Energy Services	**2,102**	**35**	3,403	47
	6,081	**100**	7,280	100

As at balance sheet date, approximately 7% (2022 - 22%) of the Group's trade receivables were due from 2 major customers who are located in Cambodia and Singapore.

32 Financial risk management objectives and policies (Cont'd)

32.3 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand–by credit facilities.

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

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.

The Group	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
31 March 2023				
Financial liabilities:				
Trade payables	**6,903**	**-**	**-**	**6,903**
Other payables and accruals*	**4,601**	**-**	**-**	**4,601**
Provision for contribution to financial guarantee provided to an associated company	**5,052**	**-**	**-**	**5,052**
Loans and borrowings	**11,793**	**4,102**	**-**	**15,895**
Lease liabilities	**222**	**27**	**1,430**	**1,679**
Total undiscounted financial liabilities	**28,571**	**4,129**	**1,430**	**34,130**
31 March 2022				
Financial liabilities:				
Trade payables	5,643	-	-	5,643
Other payables and accruals*	4,732	-	-	4,732
Loans and borrowings	15,868	6,101	-	21,969
Lease liabilities	382	456	2,913	3,751
Total undiscounted financial liabilities	26,625	6,557	2,913	36,095

The Company	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $
31 March 2023				
Financial liabilities:				
Other payables and accruals*	**565**	**-**	**-**	**565**
Provision for contribution to financial guarantee provided to an associated company	**5,052**	**-**	**-**	**5,052**
Amount due to a subsidiary	**9,180**	**-**	**-**	**9,180**
Total undiscounted financial liabilities	**14,797**	**-**	**-**	**14,797**
31 March 2022				
Financial liabilities:				
Other payables and accruals*	542	-	-	542
Amount due to a subsidiary	9,356	-	-	9,356
Total undiscounted financial liabilities	9,898	-	-	9,898

* Other payables exclude withholding tax payable, deferred income, advances from customers and GST payables.

32 Financial risk management objectives and policies (Cont'd)

32.3 Liquidity risk (Cont'd)

The table below shows the contracted expiry by maturity of the Group and Company's contingent liabilities.

	Callable* $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
The Group					
31 March 2023					
Financial guarantees	**25,932**	**-**	**-**	**-**	**25,932**
31 March 2022					
Financial guarantees	27,612	-	-	-	27,612
The Company					
31 March 2023					
Financial guarantees	**25,932**	**10,827**	**3,974**	**-**	**40,733**
31 March 2022					
Financial guarantees	27,612	15,040	5,785	-	48,437

* The corporate guarantees provided by the Group to MJE's bank (Note 30) amounted to $5,052,000 are classified as callable as MJE's bank has cancelled the facilities (Note 2(b)(i)(a) - Going concern)

33 Capital management

The Group's and Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's abilities to continue as a going concern;

(b) To support the Group's and the Company's stabilities and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capabilities; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

The Group and the Company monitor capital net debt ratio, which is net debt divided by total capital plus debt. Net debt refers to all borrowings including lease liabilities, less bank balances and short–term deposits. Capital represents total equity of the Group. The Group and the Company do not have a defined gearing ratio benchmark or range.

33 Capital management (Cont'd)

The capital net debt ratios at 31 March 2023 and 2022 were as follows:

The Group	2023 $'000	2022 $'000 (restated)
Loans and borrowings (Note 15)	**15,131**	20,955
Trade and other payables (Note 19)	**12,134**	11,088
Provision for contribution to financial guarantee provided to an associated company (Note 30)	**5,052**	-
Lease liabilities (Note 17)	**1,655**	1,857
Less: Cash and short–term deposits (Note 12)	**(1,698)**	(3,523)
Net debt	**32,274**	30,377
Total equity	**18,436**	21,747
Capital and net debt	**50,710**	52,124
Gearing ratio	**63.6%**	58.3%

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subjected to externally imposed capital requirements.

34 Fair value measurement

Definition of fair value

SFRS(I) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- 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.

34 Fair value measurement (Cont'd)

Assets and liabilities measured at fair value

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

The Group	**2023**	2022
	$	$
Assets measured at fair value (Level 3)		
Financial assets:		
Other investments		
Key–man insurance (Note 6)	**161**	161

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.

Level 3 fair value measurements

Unquoted convertible bonds

Following the proposed disposal of the MJE Interests (Note 7) for a nominal sum of RM10 (2022: RM1), the fair value of the unquoted convertible bonds as at 31 March 2023 was assessed to be immaterial.

Key–man insurance

The fair value of the key–man insurance (Note 6) 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 loss after tax (2022 – $8,000 in loss after tax).

The above unlisted investment at 31 March 2023 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.

Categories of financial assets and liabilities that are not carried at fair value but approximate fair value

Cash and cash equivalents, trade and other receivables, amounts due to subsidiaries, trade and other payables and accruals, provision for decommissioning costs, provision for restructuring costs 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.

35 Prior year reclassification/adjustment

(a) During the financial years ended 31 March 2022 and 2021, the Group incorrectly classified amount due to non-controlling interests of subsidiary as a non-current liability while the amount due to is repayable at the discretion of the subsidiary. Hence, it is now reclassified to Equity under Non-controlling interest.

(b) On 2 November 2022, the Group received translated copies of the civil judgement no. 127 dated 9 February 2022 issued by the Phnom Penh Court stating that the Group is required to pay a penalty interest at the rate of 2% per month on the amount of US$2,074,530.64 (equivalent to approximately $2,810,000) from June 2021 until the outstanding amount is fully repaid. As the civil judgement no. 127 dated 9 February 2022 was received after the financial statements for the previous financial year was finalised, prior year adjustment was effected to recognise the accrual of penalty interest and its corresponding foreign currency translation in the appropriate accounting period.

The prior year reclassification and adjustment to the extent that they are applied retrospectively, have the following impact:

The Group	As reported $'000	Adjustments $'000		As restated $'000
Consolidated statements of financial position				
At 1 April 2021				
Non-current liability				
Amount due to non-controlling interests of subsidiary (non-current liability)	1,926	(1,926)	(a)	-
Equity				
Non-controlling interests	7,162	1,926	(a)	9,088
At 31 March 2022				
Current liability				
Other payables and accruals	4,870	575	(b)	5,445
Non-current liability				
Amount due to non-controlling interests of subsidiary (non-current liability)	1,485	(1,485)	(a)	-
Equity				
Accumulated losses	(33,726)	(487)	(b)	(34,213)
Foreign currency translation reserve	(472)	(2)	(b)	(474)
Non-controlling interests	4,450	1,399	(a),(b)	5,849
Consolidated statement of profit or loss and comprehensive income for the financial year ended 31 March 2022				
Other operating expenses	(2,975)	(572)	(b)	(3,547)
Foreign currency translation	443	3	(b)	440
Consolidated statements of cash flows for the financial year ended 31 March 2022				
Cash Flows from Operating Activities				
Loss before taxation	(11,435)	(572)	(b)	(12,007)
Operating profit before working capital changes	3,324	(572)	(b)	2,752
Increase/(decrease) in trade and other payables	(969)	572	(b)	(397)

SHAREHOLDERS' **INFORMATION**

As at 30 June 2023

Issued and fully Paid-up Capital	:	S$52,762,469.745
Number of Ordinary Shares in Issue (excluding Treasury Shares)	:	1,741,647,873
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	78	6.26	2,403	0.00
100 - 1,000	106	8.51	82,053	0.00
1,001 - 10,000	177	14.22	882,753	0.05
10,001 - 1,000,000	768	61.69	156,344,655	8.98
1,000,001 and above	116	9.32	1,584,336,009	90.97
TOTAL	**1,245**	**100.00**	**1,741,647,873**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 30 June 2023[1])

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of Shares	%
Sincom Holdings Pte. Ltd.	232,000,000	13.32	–	–
Twinkle Investment Pte. Ltd.	194,000,000	11.14	–	–
Lecca Capital Pte. Ltd.	185,185,185	10.63	–	–
Tan Boon Kheng	141,156,004	8.10	–	–
Tan Boon Siang	140,232,000	8.05	–	–
Stephen Leong[2]	–	–	232,000,000	13.32
Neo Kah Kiat[3]	–	–	194,000,000	11.14
Liew Oi Peng[3]	–	–	194,000,000	11.14
Lecca Group Pte. Ltd.[4]	–	–	185,185,185	10.63
Lim Chong Ping[4]	–	–	185,185,185	10.63

Notes:

(1) Based on the total issued share capital of 1,741,647,873 ordinary shares of the Company as at 30 June 2023.

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

(3) Mr Neo Kah Kiat and Ms Liew Oi Peng are the directors and shareholders of Twinkle Investment Pte. Ltd. and is deemed interested in 194,000,000 shares held by Twinkle Investment Pte. Ltd.

(4) Lecca Group Pte. Ltd. is the holding company of Lecca Capital Pte. Ltd, and Mr Lim Chong Ping is the sole shareholder of Lecca Group Pte. Ltd., and are both deemed interested in 185,185,185 shares held by Lecca Capital Pte. Ltd.

SHAREHOLDERS' **INFORMATION**

As at 30 June 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SINCOM HOLDINGS PTE. LTD.	232,000,000	13.32
2	UOB KAY HIAN PRIVATE LIMITED	197,560,185	11.34
3	TWINKLE INVESTMENT PTE LTD	194,000,000	11.14
4	TAN BOON KHENG	141,156,004	8.10
5	TAN BOON SIANG	140,232,000	8.05
6	TAN AH KAN @TAN KOW LA	74,526,700	4.28
7	TAN BOON YEW	69,836,000	4.01
8	BRIAN CHANG HOLDINGS (S) PTE. LTD.	61,419,344	3.53
9	TAN AH SOI	32,435,996	1.86
10	TNG BENG CHOON	30,000,000	1.72
11	TOH TIEW KEONG	24,480,100	1.41
12	CHEN PENG SONG	23,510,500	1.35
13	DBS NOMINEES (PRIVATE) LIMITED	23,101,766	1.33
14	TAN ENG CHUA EDWIN	16,555,100	0.95
15	PHILLIP SECURITIES PTE LTD	13,986,974	0.80
16	RAFFLES NOMINEES (PTE.) LIMITED	12,068,300	0.69
17	TAN BOON SAI (CHEN WENSAI)	10,299,000	0.59
18	CHEW GIM THONG @ CALVIN CHEW	10,000,000	0.57
19	THAM WENG CHEONG STEVEN	10,000,000	0.57
20	TAN CHIN AIK	9,375,000	0.54
	TOTAL	**1,326,542,969**	**76.15**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 30 June 2023, approximately 38.46% of the Company's shares are held in the hands of the public.

Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual Section B: Catalist Rules.

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 at Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Thursday, 27 July 2023 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 2023 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors who are retiring in accordance with Regulation 103 of the Company's Constitution:

   (i) Mr. Tay Kah Chye **(Resolution 2)**
   [*See Explanatory Note 1*]

   (ii) Mr. Tan Boon Kheng **(Resolution 3)**
   [*See Explanatory Note 2*]

   (iii) Mr. Yip Mun Foong James **(Resolution 4)**
   [*See Explanatory Note 3*]

3. To approve the payment of Directors' fees of up to S$105,000 for the financial year ending 31 March 2024, payable quarterly in arrears. (FY2023: S$105,000). **(Resolution 5)**

4. To re-appoint Messrs Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. 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 resolutions as ordinary resolutions, with or without any modifications:

6. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and subject to Rule 806 of Section B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual: Rules of Catalist (the "**Catalist Rules**"), authority be given to the Directors of the Company to allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit, and (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Ordinary Resolution was in force, provided that:

   (a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Ordinary Resolution) to be issued pursuant to this Ordinary Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Ordinary Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any 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;

(iv) in exercising the authority conferred by this Ordinary 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 Ordinary Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[*See Explanatory Note 4*] **(Resolution 7)**

By Order of the Board

Yoo Loo Ping
Company Secretary

12 July 2023, Singapore

Explanatory Notes:

1. Mr. Tay Kah Chye, if re-elected, will remain as the Independent Chairman, and a member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee of the Company. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. His profile can be found under the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report.

2. Mr. Tan Boon Kheng, if re-elected, will remain as the Managing Director, and a member of the Nominating Committee of the Company. His profile can be found under the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report.

3. Mr. Yip Mun Foong James, if re-elected, will remain as the Independent Director, the Chairman of the Remuneration Committee and Nominating Committee, and a member of the Audit and Risk Committee of the Company. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. His profile can be found under the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report.

4. The Ordinary Resolution 7 proposed in item 6 above, if passed, will authorise and empower the Directors of the Company, from the date of the AGM effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make, and/or grant Instruments convertible into Shares, and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Ordinary Resolution, for such purposes as they consider would be in the interests of 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) in the capital of the Company, of which up to fifty per cent (50%) may be issued other than on a pro-rata basis to shareholders.

For the purpose of this Ordinary Resolution, 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) in the capital of the Company at the time this 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 Ordinary Resolution 7.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held physically at Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Thursday, 27 July 2023 at 10.30 a.m. There will be no option for shareholders to participate virtually.

The Notice of AGM, Proxy Form and the Annual Report 2023 request form ("**Request Form**") have been made available by electronic means via publication on Company's corporate website at the URL https://www.asiatic.com.sg/ and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements, as well as the printed copies be circulated by post to their registered address. The Notice of AGM will also be published in the print edition of the Business Times on 12 July 2023 (Wednesday).

The Annual Report 2023 may be accessed at the Company's corporate website at the URL https://www.asiatic.com.sg/ and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

Shareholders who wish to receive a printed copy of the Annual Report 2023 may do so by completing the Request Form and sending it to the Company by 26 July 2023 (Wednesday) through any of the following means:

(i) via email to agm@asiatic.com.sg; or

(ii) in hard copy by sending personally or by post and lodging the same at the Company's registered office at 65 Joo Koon Circle, Singapore 629078.

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

(a) **Participation in the AGM**

Shareholders, including CPF and SRS investors, may participate in the AGM by:

(i) Attending the AGM in person;

(ii) Submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or

(iii) voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in notes (b) to (f) below.

(b) **Register in person to attend the AGM**

Shareholders, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/passport to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Investors who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore ("**Act**") (the "**Relevant Intermediary**"), and who wish to attend the AGM should approach their Relevant Intermediary as soon as possible in order for the Relevant Intermediary to make the necessary arrangements for their attendance.

(c) **Asking Questions**

Shareholders and investors who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **20 July 2023 (Thursday), 5.00 p.m.,** through any of the following means:

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

(ii) 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 in hard copy by sending personally or by post, 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 address all substantial and relevant Advanced Questions through an announcement on the Company's corporate website at the URL https://www.asiatic.com.sg/ and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements by 22 July 2023 (Saturday), 10.30 a.m.

Follow up questions which are submitted after 20 July 2023 (Thursday), 5.00 p.m. will be consolidated and addressed either before the AGM via an announcement on SGX-ST website and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and investors via an announcement on SGX-ST website and the Company's website within one (1) month after the AGM.

(d) **Voting at the AGM**

For investors who hold shares through Relevant Intermediary please refer to note (e) for the procedures to vote at the AGM.

For CPF and SRS investors please refer to note (f) for the procedures to vote at the AGM.

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf. A proxy need not be a shareholder of the Company.

A shareholder (who is not a Relevant Intermediary) entitled to attend and vote at the AGM of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote on his/her/its behalf. A proxy need not be a shareholder. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the number of shares to be represented by each proxy. A shareholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at this AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints two (2) or more proxies, the appointments shall be invalid unless such shareholder specifies the number of shares to be represented by each proxy.

Duly completed Proxy Forms, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted through any of the following means not later than **24 July 2023 (Monday), 10.30 a.m.** (being no later than 72 hours before the time appointed for holding the AGM) and in default the Proxy Form shall not be treated as valid:

(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 posted to all shareholders and has also been made available on the Company's corporate website at the URL https://www.asiatic.com.sg/ and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements

Please refer to the detailed instructions set out in the Proxy Form.

(e) **Voting at the AGM by Relevant Intermediary Investors**

Relevant Intermediary investors who wish to attend the AGM, or to appoint proxy(ies) to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment.

(f) **Voting at the AGM by CPF/SRS Investors**

CPF/SRS investors who wish to vote at the AGM may attend the AGM in person physically, or may appoint the Chairman of the Meeting as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the Meeting as their proxy should not make use of the Proxy Form. They should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **18 July 2023 (Tuesday), 10.30 a.m.**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf.

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) the annual report request form; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or an instrument appointing proxy/proxies 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; (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 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.

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ASIATIC GROUP (HOLDINGS) LIMITED

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

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**") and vote (please see note 3 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by investors who hold shares through Relevant Intermediary and/or CPF and SRS (as defined in the Notice of AGM) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors who wish to exercise their voting rights should approach their Relevant Intermediary/CPF Agent Bank/SRS operator as soon as possible. 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.

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

of ____ (Address)

being a *shareholder/shareholders of **ASIATIC GROUP (HOLDINGS) LIMITED** (the "**Company**"), hereby appoint:

Name	*NRIC/Passport	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	*NRIC/Passport	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, 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 at Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Thursday, 27 July 2023 at 10.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

 # If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2023.			
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 ending 31 March 2024 amounting to S$105,000, payable quarterly in arrears.			
6.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors.			
7.	Authority to allot and issue shares.			

** Delete where inapplicable*

Dated this __________ day of July 2023

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 2001), 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 of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

(3) A shareholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

(4) A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

(5) The instrument appointing proxy/proxies 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.

(6) Where this instrument appointing proxy/proxies 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.

(7) The instrument appointing a proxy/proxies, duly executed, must be submitted through any of the following means by **24 July 2023 (Monday) at 10.30 a.m.**, which is not later than 72 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.

(8) The Company shall be entitled to reject the instrument appointing a proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument 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) to the Company.

Personal Data Privacy:

By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 July 2023.

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Asiatic Group

ASIATIC GROUP (HOLDINGS) LIMITED

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