

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist, Asiatic Group (Holdings) Limited is required by SGX-ST to announce its quarterly financial statements.



Asiatic Group (Holdings) Limited and its Subsidiaries

Registration Number : 200209290R

Condensed Interim Financial Statements

For the quarter ended 30 June 2021

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Condensed interim consolidated statement of profit or loss
Period Ended 30 June 2021

	Note	The Group		Change %
		3 months ended 30 June 2021 S\$'000	3 months ended 30 June 2020 S\$'000	
Revenue				
Sale of goods	5.2	3,779	2,837	33.20
Sale of services	5.2	4,327	8,172	-47.05
		8,106	11,009	-26.37
Other income		177	626	-71.73
Costs and expenses				
Cost of sales		(5,570)	(7,559)	-26.31
Foreign exchange loss		(37)	(585)	-93.68
Staff costs		(1,396)	(1,500)	-6.93
Depreciation of property, plant and equipment		(622)	(598)	4.01
Depreciation of right-of-use assets		(82)	(77)	6.49
Impairment of financial assets		(477)	(396)	20.45
Other operating expenses		(523)	(467)	11.99
(Loss)/profit from operating activities		(424)	453	N.M.
Finance costs		(203)	(177)	14.69
(Loss)/profit before tax	7.1	(627)	276	N.M.
Income tax expense	8	(63)	(57)	10.53
(Loss)/profit for the period		(690)	219	N.M.
Attributable to:				
Equity holder of the Company		(670)	70	N.M.
Non-controlling interest		(20)	149	N.M.
		(690)	219	N.M.
(Loss)/profit per share (cent per share)				
Basic and diluted		(0.04)	0.00	

N.M. : Not meaningful

Condensed interim consolidated statement of other comprehensive income
Period Ended 30 June 2021

	Note	The Group		Change %
		3 months ended 30 June 2021 S\$'000	3 months ended 30 June 2020 S\$'000	
(Loss)/profit for the period		(690)	219	
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation		9	(202)	N.M.
Other comprehensive income for the period, net of tax		9	(202)	N.M.
Total comprehensive income for the period		<u>(681)</u>	<u>17</u>	N.M.
Attributable to:				
Equity holder of the Company		(661)	(8)	N.M.
Non-controlling interest		(20)	25	N.M.
		<u>(681)</u>	<u>17</u>	N.M.

N.M. : Not meaningful

Condensed interim statements of financial position
As at 30 June 2021

	Note	The Group		The Company	
		30 June	31 March	30 June	31 March
		2021	2021	2021	2021
		S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>					
Property, plant and equipment	11	50,783	51,370	5	5
Investments in subsidiaries		—	—	32,367	32,182
Right-of-use assets		2,190	2,180	—	—
Goodwill	10	175	175	—	—
Other investments		161	161	—	—
		<u>53,309</u>	<u>53,886</u>	<u>32,371</u>	<u>32,187</u>
<u>Current assets</u>					
Assets held for sale		— *	— *	—	—
Inventories		3,756	3,753	—	—
Trade receivables		5,495	5,844	—	—
Other receivables		2,425	3,178	—	—
Prepayments		1,146	396	36	29
Amounts due from subsidiaries		—	—	—	—
Cash and short-term deposits		<u>1,516</u>	<u>1,633</u>	<u>23</u>	<u>23</u>
		<u>14,338</u>	<u>14,804</u>	<u>59</u>	<u>52</u>
<u>Current liabilities</u>					
Trade payables		6,168	6,591	—	—
Provision for demobilisation cost		229	269	—	—
Provision for restructuring cost		119	226	—	—
Other payables and accruals		4,479	4,640	549	509
Amounts due to subsidiaries		—	—	9,381	9,371
Loans and borrowings	12	16,465	15,636	33	6
Lease and hire purchase liabilities		440	400	—	—
Provision for taxation		<u>526</u>	<u>500</u>	<u>—</u>	<u>—</u>
		<u>28,426</u>	<u>28,262</u>	<u>9,963</u>	<u>9,886</u>
Net current liabilities		(14,088)	(13,458)	(9,904)	(9,834)
<u>Non-current liabilities</u>					
Loans and borrowings	12	3,726	4,096	—	—
Amount due to non-controlling interests		1,812	1,926	—	—
Lease and hire purchase liabilities		1,720	1,795	—	—
Deferred tax liabilities		<u>1,349</u>	<u>1,316</u>	<u>—</u>	<u>—</u>
Net assets		<u>30,614</u>	<u>31,295</u>	<u>22,468</u>	<u>22,353</u>

* Amount is less than S\$1,000.

Condensed interim statements of financial position (cont'd)
As at 30 June 2021

	Note	The Group		The Company	
		30 June	31 March	30 June	31 March
		2021	2021	2021	2021
		S\$'000	S\$'000	S\$'000	S\$'000
<u>Equity attributable to owners of the Company</u>					
Share capital	13	50,585	50,585	50,585	50,585
Revenue reserve		(26,198)	(25,528)	(28,117)	(28,232)
Foreign currency translation reserve		(915)	(924)	—	—
		23,472	24,133	22,468	22,353
Non-controlling interests		7,142	7,162	—	—
Total equity		30,614	31,295	22,468	22,353

Condensed interim statements of changes in equity
Period ended 30 June 2021

Group	Attributable to equity holders of the Company					Total S\$'000
	Share capital (Note 13)	Revenue reserve	Foreign currency translation reserve	Total equity attributable to owners of the Company	Non- controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 April 2020	50,585	(21,842)	160	28,903	7,173	36,076
Profit for the year	–	70	–	70	149	219
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	(78)	(78)	(124)	(202)
Total comprehensive income for the year	–	70	(78)	(8)	25	17
As at 30 June 2020	50,585	(21,772)	82	28,895	7,198	36,093
At 1 April 2021	50,585	(25,528)	(924)	24,133	7,162	31,295
Profit for the year	–	(670)	–	(670)	(20)	(690)
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	9	9	–	9
Total comprehensive income for the year	–	(670)	9	(661)	(20)	(681)
As at 30 June 2021	50,585	(26,198)	(915)	23,472	7,142	30,614

Company	Share capital (Note 13) S\$'000	Revenue reserve S\$'000	Total S\$'000
At 1 April 2020	50,585	(28,590)	21,995
Profit for the year, representing total comprehensive income for the year	–	158	158
As at 30 June 2020	50,585	(28,432)	22,153
At 1 April 2021	50,585	(28,232)	22,353
Profit for the year, representing total comprehensive income for the year	–	115	115
As at 30 June 2021	50,585	(28,117)	22,468

Condensed interim consolidated statement of cash flows
Period ended 30 June 2021

	3 months ended 30 June 2021 S\$'000	3 months ended 30 June 2020 S\$'000
Operating activities		
(Loss)/profit before tax	(627)	276
Depreciation of property, plant and equipment	622	598
Depreciation of right-of-use assets	82	77
Interest expense	203	177
Impairment on net investment in associate	482	389
(Write back of)/impairment of financial assets	(5)	7
Gain on disposal of property, plant and equipment	(1)	–
Interest income	(14)	–
Provision for stock obsolescence	1	–
Currency alignment	(43)	590
Operating cash flows before changes in working capital	700	2,114
Changes in working capital		
Increase in inventories	(4)	(299)
Decrease in trade and other receivables	354	977
Increase in amount due from associates	(482)	(389)
Decrease in trade and other payables	(640)	(200)
Cash flows (used in)/generated from operations	(72)	2,203
Interest received	14	–
Interest paid	(203)	(141)
Income tax paid	(41)	(66)
Net cash flows (used in)/generated from operating activities	(302)	1,996
Investing activities		
Purchase of property, plant and equipment	(76)	(33)
Purchase of right-of-use assets	(23)	–
Proceeds from sale of property, plant and equipment	1	–
Net cash flows used in investing activities	(98)	(33)

Condensed interim consolidated statement of cash flows (cont'd)
Period ended 30 June 2021

	3 months ended 30 June 2021 S\$'000	3 months ended 30 June 2020 S\$'000
Financing activities		
Repayment of trust receipts and short-term borrowings	(1)	(1,438)
Repayment of interest bearing term loans	(105)	(152)
Repayment of principal portion of lease and hire purchase liabilities	(104)	(58)
Repayment of amount due to non-controlling interests	(94)	(373)
Advances from related parties	26	–
Net cash flows used in financing activities	<u>(278)</u>	<u>(2,021)</u>
Net decrease in cash and cash equivalents	(678)	(58)
Effect of exchange rate changes on cash and cash equivalents	–	25
Cash and cash equivalents at beginning at 1 April	(1,055)	(2,256)
Cash and cash equivalents at 30 June	<u><u>(1,733)</u></u>	<u><u>(2,289)</u></u>
 Cash and cash equivalents consist of the following :		
Cash and short-term deposits	1,516	1,590
Add: Bank overdraft	(2,544)	(3,168)
Less: Pledged short-term deposits	(705)	(711)
	<u><u>(1,733)</u></u>	<u><u>(2,289)</u></u>

Notes to the condensed interim consolidated financial statements

1. Corporate information

Asiatic Group (Holdings) Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of 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.

These condensed interim consolidated financial statements as at and for the three months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Group are:

- (a) supplying, installation and maintenance of fire fighting and protection equipment;
- (b) supplying, engineering and procurement and construction of power generation projects and precision gear products; and
- (c) operating of power plants.

The Group mainly operates in Singapore, Cambodia and Malaysia.

2. Basis of preparation

The condensed interim financial statements for the three months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Going concern assumption

For the period ended 30 June 2021, the Group incurred a net loss after tax of S\$690,000 (30 June 2020: net profit after tax of S\$219,000). As at that date, the Group's current liabilities (which includes loan and borrowings of S\$16,498,000) exceeded the Group's current assets by S\$14,088,000 (31 March 2021: S\$13,458,000) and the Company's current liabilities exceeded the Company's current assets by S\$9,904,000 (31 March 2021: S\$9,834,000).

As disclosed in Note 14, the corporate guarantees provided by the Group and Company included a guarantee of up to RM 195.5 million given to the bank of its associate Maju Intan Biomass Energy Sdn Bhd ("MJE") in respect of banking facilities extended to MJE. As at 30 June 2021, the outstanding amounts owed by MJE to its bank amounted to RM 91.6 million. On 19 March 2020, the Company entered into a sale and purchase agreement with Hualang Renewable Energy Sdn Bhd (the "Buyer") to sell all shares in MJE and its rights in the convertible bond issued by MJE at a nominal sum of RM1. As part of the transaction, the Buyer had submitted a debt restructuring proposal to MJE's bank. On 10 February 2021, MJE's bank informed MJE that it was unable to accede to the debt restructuring proposal submitted by the Buyer and that no further utilisation of their existing facility arrangements (the "Facilities") shall be made and the same facilities were cancelled. Subsequent to the period ended 30 June 2021, the Company was notified by the Buyer that it is in discussion and seeking to submit an alternative debt restructuring proposal for MJE's debt obligations to the bank of MJE for acceptance and approval. Accordingly, the Company wrote to MJE's bank and received a confirmation in writing from the bank that they are agreeable to withhold legal action until 1 September 2021, subject to MJE continuing to service existing instalments until 31 August 2021.

Should MJE be unable to settle its obligations to its bank, the Group and Company, as one of the guarantors for the Facilities, may be liable for the repayment of the outstanding amounts owed by MJE to its bank. In addition, the Group continues to face uncertainties as a result of the disruptions brought about by the COVID-19 pandemic. These conditions and events indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and Company to continue as a going concern.

3. Going concern assumption (cont'd)

If the Group and Company are unable to continue in operational existence for the foreseeable future, 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 interim financial statements.

However, in the opinion of the directors, the Group and the Company are able to continue as a going concern despite the conditions stated above as the directors are confident that the Group will continue to receive financial support from the banks, generate positive cash flows from its operations in the next twelve months and that upon the completion of the disposal of MJE, the Company would be discharged from the corporate guarantees (Note 14) it had provided to MJE's bank and is no longer expected to provide further funding to MJE. The series of fiscal measures introduced by the Singapore government in 2020 and 2021 to ease the financial strain on businesses impacted by COVID-19 are also expected to provide some relief to the Group.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment and revenue information

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

- (i) Fire fighting and protection - Supply, installation and maintenance of fire-fighting and protection equipment
- (ii) Power related - Power generation and distribution of controlled power supply and equipment

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.

5.1 Reportable segments

	Fire-fighting		Power-related		Total	
	3 months ended 30 June 2021	3 months ended 30 June 2020	3 months ended 30 June 2021	3 months ended 30 June 2020	3 months ended 30 June 2021	3 months ended 30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue from external parties	4,327	3,344	3,779	7,665	8,106	11,009
Other income	163	427	14	199	177	626
Total revenue and other income	4,490	3,771	3,793	7,864	8,283	11,635
Reversal of impairment/(impairment) of financial asset	5	(7)	(482)	(389)	(477)	(396)
Depreciation of property, plant and equipment	(87)	(71)	(535)	(527)	(622)	(598)
Finance costs	(41)	(51)	(162)	(126)	(203)	(177)
Segment profit/(loss)	481	374	(905)	79	(424)	453
Unallocated expenses					(203)	(177)
(Loss)/profit before taxation					(627)	276
Income tax expense					(63)	(57)
(Loss)/profit for the period					(690)	219

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

	Fire-fighting		Power-related		Total	
	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	28,332	32,566	53,248	61,765	81,580	94,331
Inter-segment assets					(14,172)	(18,952)
Goodwill					175	175
Unallocated assets					64	50
Total assets per statement of financial position					67,647	75,604
Additions to property, plant and equipment	76	33	–	–	76	33
Additions to right-of-use assets	92	–	–	–	92	–
Expenditures for segment non-current assets	168	33	–	–	168	33
Segment liabilities	16,392	17,024	59,137	60,901	75,529	77,925
Inter-segment liabilities		60,901			(40,953)	(41,146)
Income tax payables					526	1,358
Deferred tax liabilities					1,349	120
Unallocated liabilities					582	1,254
Total liabilities per statement of financial position					37,033	39,511

5.2. Disaggregation of revenue

	The Group	
	3 months ended 30 June 2021 S\$'000	3 months ended 30 June 2020 S\$'000
Types of goods or services:		
- Sales of goods	3,779	2,837
- Sales of services	4,327	8,172
	8,106	11,009
Geographical information:		
- Singapore	3,673	2,805
- Cambodia	3,773	7,662
- Other countries	660	542
	8,106	11,009

Asiatic Group (Holdings) Limited and its Subsidiaries

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2021 and 31 March 2021:

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2021							
Financial assets							
Other investments	—	161	161	—	—	161	161
Assets held for sale	—	— *	— *	—	—	— *	— *
Trade and other receivables *	6,982	—	6,982				
Cash and short-term deposits	1,516	—	1,516				
	8,498	161	8,659				
Financial liabilities							
Trade and other payables ^	(8,854)	—	(8,854)				
Provision for demobilisation cost	(229)	—	(229)				
Provision for restructuring cost	(119)	—	(119)				
Loans and borrowings	(20,224)	—	(20,224)	—	—	(20,224)	(20,224)
Lease and hire purchase liabilities	(2,160)	—	(2,160)	—	—	(2,160)	(2,160)
Amount due to non-controlling interests	(1,812)	—	(1,812)				
	(33,398)	—	(35,158)				

* Excludes grant receivables, advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables

6. Financial assets and financial liabilities (cont'd)

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2021							
Financial assets							
Other investments	—	161	161	—	—	161	161
Assets held for sale	—	— *	— *	—	—	— *	— *
Trade and other receivables *	8,271	—	8,271				
Cash and short-term deposits	1,633	—	1,633				
	9,904	161	10,065				
Financial liabilities							
Trade and other payables ^	(10,386)	—	(10,386)				
Provision for demobilisation cost	(269)	—	(269)				
Provision for restructuring cost	(226)	—	(226)				
Loans and borrowings	(19,732)	—	(19,732)	—	—	(19,732)	(19,732)
Lease and hire purchase liabilities	(2,195)	—	(2,195)	—	—	(2,195)	(2,195)
Amount due to non-controlling interests	(1,926)	—	(1,926)				
	(34,734)	—	(34,734)				

* Excludes grant receivables, advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables

6. Financial assets and financial liabilities (cont'd)

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2021							
Financial assets							
Cash and short-term deposits	23	—	23				
Financial liabilities							
Other payables and accruals	(549)	—	(549)				
Loans and borrowings	(33)	—	(33)	—	—	(33)	(33)
	(582)	—	(582)				
31 March 2021							
Financial assets							
Cash and short-term deposits	23	—	23				
Financial liabilities							
Other payables and accruals *	(483)	—	(483)				
Loans and borrowings	(6)	—	(6)	—	—	(6)	(6)
	(489)	—	(489)				

* Excludes GST payables

7. (Loss)/profit before taxation

7.1 Significant items

The following items have been included in arriving at (loss)/profit from operating activities:

	The Group	
	3 months ended 30 June 2021	3 months ended 30 June 2020
	S\$'000	S\$'000
Impairment of financial assets	477	396
Contributions to defined contribution plans	96	78
Insurance	49	65
Inventories recognised as an expense in cost of sales	2,269	3,271
Legal fees	111	–
Travelling and transportation	22	29
Audit fees	34	45

7.2 Related party transactions

	The Group	
	3 months ended 30 June 2021	3 months ended 30 June 2020
	S\$'000	S\$'000
<u>Sale and purchase of goods and services</u>		
Purchase of goods from a firm related to a director	22	16
Sale of goods to a firm related to a director	22	22
<u>Directors' and executive officers' remuneration *</u>		
Directors' remuneration	173	178
Executive officers' remuneration	107	154

* Included in the above remuneration for the Group is payment for defined contribution plans of S\$13,000 for the 3 months ended 30 June 2021 (3 months ended 30 June 2020: S\$10,000)

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	3 months ended 30 June 2021	3 months ended 30 June 2020
	S\$'000	S\$'000
Current income tax expense	30	57
Deferred income tax expense relating to origination and reversal of temporary differences	33	–
	63	57

9. Net asset value

	The Group		The Company	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore cents)	1.5	1.6	1.4	1.4

The net asset value per ordinary share as at 30 June 2021 is calculated based on 1,556,462,688 (31 March 2021: 1,556,462,688) ordinary shares in issue (excluding treasury shares).

10. Goodwill

	The Group	
	30 June 2021	31 March 2021
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.

11. Property, plant and equipment

During the three months ended 30 June 2021, the Group acquired assets amounting to S\$76,000 (30 June 2020: S\$33,000). There was no disposal of assets during the three months ended 30 June 2021 and 30 June 2020.

12. Loans and borrowings

	The Group	
	30 June 2021	31 March 2021
<hr/>		
<u>Amount repayable within one year or on demand</u>		
Secured	11,732	11,164
Unsecured	4,766	4,472
<u>Amount repayable after one year</u>		
Unsecured	3,726	4,096
	<hr/>	
Total loans and borrowings	20,224	19,732
	<hr/>	

Details of collaterals

The bank borrowings and credit facilities of the Group are secured by corporate guarantee provided by the Company, first fixed charge over certain property, plant and equipment and pledged fixed deposits.

Right-of-use assets purchased under hire purchase have a carrying amount of S\$621,000 as at 30 June 2021 (31 March 2021: S\$563,000).

The Group's power plant assets with a carrying amount of S\$1,613,000 as at 30 June 2021 (31 March 2021: S\$1,614,000) is subject to a first charge to secure the loans and borrowings.

The Group's factory building with a carrying value of S\$3,102,000 as at 30 June 2021 (31 March 2021: S\$3,125,000) is subject to a first charge to secure the bank loans and borrowings.

The Group's fixed deposits amounting to S\$707,000 as at 30 June 2021 (31 March 2021: S\$708,000) are pledged to secure banking facilities which were granted to certain subsidiaries.

13. Share capital

	The Group and the Company			
	30 June 2021		31 March 2021	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At 30 June and 31 March	1,556,463	50,585	1,556,463	50,585

The total number of issued shares excluding treasury shares as at 30 June 2021 was 1,556,462,688 (31 March 2021: 1,556,462,688). There were no changes in the issued share capital of the Company since the last period reported on.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020.

The Company did not have any outstanding options or convertibles as at 30 June 2021 and 30 June 2020.

14. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US\$2.2 million (31 March 2021: US\$2.2 million), S\$28.8 million (31 March 2021: S\$28.8 million) has been provided by the Company to financial institutions to secure banking facilities granted to its subsidiaries. The Company had also provided a corporate guarantee of RM195.5 million (31 March 2021: RM195.5 million) to MJE's bank to secure banking facilities granted to MJE (Note 3). The expected credit losses on the corporate guarantees provided to MJE's bank at the 3 months ended 30 June 2021 were assessed to be immaterial as management is confident that upon completion of the disposal of MJE, the Company would be fully discharged from the corporate guarantees given to MJE's bank.

Legal claims

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 S\$1,206,000. A Statement of Defence and Counterclaim has been filed by Colben Energy Holdings (Maju Intan) Ltd on 22 June 2020 to make a counterclaim against Guan Heng Construction Sdn Bhd. As at 30 June 2021, there are no further development on the claims and counterclaims filed.

14. Commitments and contingencies (cont'd)

Legal claims (cont'd)

Claims against Phnom Penh Special Economic Zone Plc

On 19 November 2020, two subsidiaries of the Group, Colben System Pte Ltd ("Colben") and Colben Energy Holdings (PPSEZ) Limited ("CEZH") commenced arbitration proceedings against Phnom Penh Special Economic Zone Plc ("PPSEZ") in respect of a dispute arising out of or in connection with a power plant project in the Phnom Penh Special Economic Zone, Cambodia (the "Zone"), which was jointly developed by Colben, CEZH and PPSEZ (the "Arbitration"). Colben and CEZH are seeking relief in the Arbitration for a minimum of US\$14.41 million. No amounts relating to the aforementioned have been recognised in the interim financial statements due to uncertainty over the outcome of the Arbitration.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7C

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

The condensed consolidated statement of financial position of Asiatic Group (Holdings) Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern) :-

In the Group's latest audited financial statements for FY2021, Ernst & Young LLP, the Group's auditors, have issued a disclaimer opinion in relation to the use of the going concern assumption in the audited financial statements for FY2021 (the "Audit Issue").

Details relating to the Group's comments on the going concern assumption and the efforts taken to resolve the Audit Issue may be found in Section 4 of "Other Information Required by Listing Rule Appendix 7C".

The Board confirms that the impact of all outstanding Audit Issue on the financial statements in relation to FY2021 have been adequately disclosed.

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

	The Group	
	3 months ended 30 June 2021	3 months ended 30 June 2020
(Singapore Cents)		
(a) Based on weighted average number of ordinary shares in issue	(0.04)	0.00
(b) On a fully diluted basis	(0.04)	0.00

The loss per ordinary share for the respective financial periods were calculated based on the Group's loss after taxation attributable to equity holders of the parent of S\$670,000 for the 3 months ended 30 June 2021 (Profit for the 3 months ended 30 June 2020: S\$70,000), divided by the weighted average number of ordinary shares in issue of 1,556,462,688 as at 30 June 2021 (30 June 2020: 1,556,462,688).

The basic and diluted loss/earnings per ordinary share are the same for 3 months ended 30 June 2021 and 30 June 2020 because there were no potentially dilutive ordinary securities as at 30 June 2021 and 30 June 2020 respectively.

4. Review of performance of the Group

Revenue

	3 months ended 30 June 2021		3 months ended 30 June 2020		Increase/ (Decrease)
	S\$'000	% of total revenue	S\$'000	% of total revenue	%
By business divisions					
- Fire-fighting and protection	4,327	53.4%	3,344	30.4%	29.4%
- Power related	3,779	46.6%	7,665	69.6%	(50.7%)
Total revenue	8,106	100.0%	11,009	100.0%	(26.4%)

The Group's revenue for 3 months ended 30 June 2021 decreased by 26.4% from the corresponding period in 2020. The decrease is mainly attributed to the shortening of the term of the Power Purchase Agreement ("PPA") at the Phnom Penh and Sihanoukville power plants. In addition, electricity demand by tenants in the Special Economic Zone power plant saw a dip as a result of the Covid-19 lockdown measures implemented in Cambodia during the 3 months ended 30 June 2021. The decrease is partially offset by the recovery of the fire-fighting and protection division which saw an improvement in revenue as compared to the 3 months ended 30 June 2020 when the Circuit Breaker was implemented.

Profitability

Decrease in other income was mainly contributed by a reduction in Covid-19 related government grants during the 3 months ended 30 June 2021 as the Covid-19 situation in Singapore improved and the pandemic became largely under control.

Cost of sales decreased mainly due to lower direct operating costs as a result of cessation of operations at the Phnom Penh and Sihanoukville power plants and decrease in electricity demand in the Special Economic Zone power plant. This was partially offset by an increase in cost of sales due to the increase in sales in the fire-fighting and protection division during the period.

Decrease in fluctuation in USD and MYR against SGD resulted in a decrease in foreign exchange loss recognised on receivables from subsidiaries that were denominated in USD and MYR during the period.

Staff costs saw a decrease as salaries at the Phnom Penh and Sihanoukville power plants were recorded as part of the restructuring costs in the previous financial year due to the cessation of operations caused by the shortening of PPA.

Increase in depreciation of property, plant and equipment and right-of-use assets were due to additions of equipment and hire purchase of motor vehicles in the fire-fighting and protection division to support the expansion into the technical aspect of the marine industry and manufacturing of its fire-fighting products.

In the 3 months ended 30 June 2021, further impairment assessment had resulted in a current impairment of S\$0.5 million due to the advance made to MJE to allow MJE to continue servicing the existing instalments with the bank as part of the condition to withhold legal action until 1 September 2021.

Due to a combination of the above factors, the Group recorded a loss after tax of S\$0.7 million during the 3 months ended 30 June 2021 as compared to a profit after tax of S\$0.2 million for the corresponding period in 2020.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$0.1 million (3 months ended 30 June 2020: foreign currency translation loss of S\$0.2 million). Lower translation effect was due to decrease in fluctuation in USD and MYR against SGD during the period and this effect was directly accounted for in the statement of changes in equity under translation reserve.

Balance Sheet

As at 30 June 2021, non-current assets decreased mainly due to the depreciation of property, plant and equipment (S\$0.6 million) and depreciation of right-of-use assets (S\$0.1 million). The decrease is partially offset by the purchase of new equipment and hire purchase of motor vehicles.

Inventories remained constant as the inventories were kept at the optimal level for the sales during the period. In addition, the Group saw results from its efforts to improve debtors collection with a further improvement in trade receivables aging from both the fire-fighting and protection and power related division. During the period, prepayment increased mainly due to advances paid to MJE's bank as a consideration to extend the deadline for the submission of the debt restructuring proposal. On the other hand, other receivables decreased mainly due to the reduction of compensation receivables from the compensation received from Electricite Du Cambodge ("EDC") based on the contractual terms of the PPA.

Decrease in trade payables was mainly due to reduction of purchases in the Power related division as a result of a reduction in sales. New term loans obtained in the financial year ended 31 March 2021 were provided a one-year deferment in principal repayment. The increase in current loan and borrowings is a result of higher amount of the loan due from July 2021 to June 2022 as compared to the period from April 2021 to March 2022 caused by the expiry of the deferment in principal repayment.

Non-current liabilities decreased mainly due to the reclassification of non-current portion of term loan to current as the principal repayment commences from the second quarter of the financial year ending 31 March 2022. This was partially offset by the repayment of amount due to non-controlling interests of S\$0.1 million during the period.

As at 30 June 2021, the Group had a net current liabilities position of S\$14.1 million arising from the utilisation of short-term financing to support the Group's energy projects. The net current liabilities position had increased during the period mainly due to the commencement of principal repayment of term loans from the second quarter of the financial year ending 31 March 2022. With respect to the Group's ability to continue as a going concern, as stated in the Note 3 of the "Notes to the condensed interim consolidated financial statements" :

- (a) The Board is confident that the Group will continue to receive financial support from the banks, with availability of the revolving short-term loans to support the working capital and new term loans facilities obtained in the 3 months ended 30 June 2021. As at the date of this announcement, the Group has successfully rolled over approximately S\$12.0 million out of S\$16.5 million of short term loans, and has continued to fulfil its debt obligations;
- (b) The Board has reviewed the cash flows forecast prepared by Management in May 2021, and is confident that the Group will generate positive cash flows from its operations for the next 12 months with the focus and the stable performance of the Group's fire business unit;
- (c) The series of fiscal measures introduced by the Singapore government to ease the financial strain on businesses impacted by COVID-19 are expected to provide some relief to the Group;

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

Cash Flow

During the 3 months ended 30 June 2021, net cash used in operating activities amounted to S\$0.3 million after taking into account the working capital and payment of interest and tax. Net cash outflow from operating activities was mainly contributed by a decrease in revenue resulted from the Covid-19 lockdown in the Special Economic Zone power plant and advance provided to MJE to service the existing instalments with MJE's bank.

Net cash flow used in investing activities was utilised to purchase property plant and equipment and new motor vehicles. The Group recorded a net cash outflow from its financing activities arising from (i) repayment of trust receipt and short term borrowings, (ii) repayment of interest bearing term loans, (iii) repayment of lease and hire purchase liabilities and (iv) repayment of amount due to non-controlling interests. This is partially offset by advances from related parties obtained during the period. As a result, overall cash balance decreased by S\$0.7 million during the period.

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

In the Company's announcement dated 28 May 2021 in relation to its full year financial results for the financial year ended 31 March 2021, it was disclosed that the revenue is expected to decrease in the next 12 months due to the shortening of the PPA. This decrease in revenue for the 3 months ended 30 June 2021 as compared to the 3 months ended 30 June 2020 was in line with this forecast due to the shortening of the PPA as announced on 11 February 2021.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Due to the shortening of PPA, the Company continues to expect further drop in revenue in the upcoming 12 months resulting from the cessation of operations at the Phnom Penh and Sihanoukville power plants. To mitigate the overall impact, the Group will continue to focus on its expansion plans for the fire-fighting and protection business.

As a result of the continued Movement Control Order ("MCO") amid the worsening Covid-19 situation in Malaysia, the completion of the conditions precedent on the proposed disposal of shares and all the convertible bonds held by our indirect subsidiary, Colben Energy Holdings (Maju Intan) Ltd in Maju Intan Biomass Energy Sdn Bhd to Hualang Renewable Energy Sdn Bhd is expected to be further extended. The Company is currently in negotiation with Hualang Renewable Energy Sdn Bhd and Maju Intan Biomass Energy Sdn Bhd's Bank to request for further extension of withholding of legal action that is due to end on 1 September 2021. The Company will keep shareholders apprised on the outcome of negotiation.

With the high rate of vaccination of the population, Singapore has become resilient against the Covid-19 pandemic with plans to cautiously opening its borders. With the growing stability in Singapore, the Group will continue to allocate resources to focus on the expansion of its fire-fighting and protection business in Singapore.

7. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not Applicable.

(d) Date Payable

Not Applicable.

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

Not Applicable.

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

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

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

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

10. Additional information required pursuant to Rule 706A

There were no acquisition or realisation of any subsidiaries or associated companies during the 3 months ended 30 June 2021.

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Boon Kheng
Managing Director

Tan Boon Siang
Director

Singapore

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director
30 August 2021

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

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