

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



Asiatic Group (Holdings) Limited and its Subsidiaries

Unique Entity Number: 200209290R

Condensed Interim Financial Statements

For the quarter ended 30 June 2023

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Condensed interim consolidated statement of profit or loss
Period Ended 30 June 2023

| | Note | The Group | | Change % |
|--|------|--|--|-------------|
| | | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) | |
| Revenue | | | | |
| Sale of goods | 5.2 | 4,830 | 3,840 | 25.8 |
| Services rendered | 5.2 | 6,398 | 5,499 | 16.3 |
| | | 11,228 | 9,339 | 20.2 |
| Other income | | 22 | 157 | -86.0 |
| Costs and expenses | | | | |
| Cost of sales | | (7,815) | (6,373) | 22.6 |
| Foreign exchange gain/(loss) | | 191 | (209) | N.M. |
| Staff costs | | (1,663) | (1,500) | 10.9 |
| Depreciation of property, plant and equipment | | (431) | (542) | -20.5 |
| Depreciation of right-of-use assets | | (53) | (73) | -27.4 |
| Write back of impairment of financial assets | | 20 | 626 | -96.8 |
| Expected loss on financial guarantee provided to an associated company | | (159) | – | N.M. |
| Other operating expenses | | (633) | (694) | -8.8 |
| Finance costs | | (226) | (245) | -7.8 |
| Profit before tax | 7.1 | 481 | 486 | -1.0 |
| Income tax expense | 8 | (99) | (50) | 98.0 |
| Profit for the period | | 382 | 436 | -12.4 |
| Attributable to: | | | | |
| Equity holder of the Company | | 291 | 437 | -33.4 |
| Non controlling interest | | 91 | (1) | N.M. |
| | | 382 | 436 | -12.4 |

N.M. : Not meaningful

Condensed interim consolidated statement of other comprehensive income
Period Ended 30 June 2023

| | The Group | | Change % |
|---|--|--|-------------|
| | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) | |
| Profit for the period | 382 | 436 | |
| Other comprehensive income | | | |
| <u>Items that may be reclassified subsequently to profit or loss:</u> | | | |
| Foreign currency translation | 514 | 985 | -47.8 |
| Other comprehensive income for the period, net of tax (nil) | 514 | 985 | -47.8 |
| Total comprehensive income for the period | 896 | 1,421 | -36.9 |
| Attributable to: | | | |
| Equity holder of the Company | 834 | 1,490 | -44.0 |
| Non-controlling interest | 62 | (69) | N.M. |
| | 896 | 1,421 | -36.9 |
| | Cents | Cents | |
| Profit per share (cent per share) | | | |
| Basic and diluted | 0.02 | 0.03 | |

N.M. : Not meaningful

**Condensed interim statements of financial position
As at 30 June 2023**

| | Note | The Group | | The Company | |
|---|------|-----------------|------------------|-----------------|------------------|
| | | 30 June 2023 | 31 March 2023 | 30 June 2023 | 31 March 2023 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Assets | | | | | |
| Non-Current | | | | | |
| Property, plant and equipment | 11 | 37,870 | 37,645 | 3 | 3 |
| Investments in subsidiaries | | – | – | 25,361 | 25,138 |
| Right-of-use assets | | 1,897 | 1,928 | – | – |
| Goodwill | 10 | 175 | 175 | – | – |
| Deferred tax assets | | 300 | 294 | – | – |
| Other investments | | 161 | 161 | – | – |
| | | 40,403 | 40,203 | 25,364 | 25,141 |
| Current | | | | | |
| Assets held for sale | | – * | – * | – | – |
| Inventories | | 4,151 | 3,977 | – | – |
| Trade receivables | | 6,564 | 6,081 | – | – |
| Other receivables | | 786 | 1,159 | – | – |
| Prepayments | | 443 | 403 | 62 | 46 |
| Cash and short-term deposits | | 1,069 | 1,698 | 44 | 72 |
| | | 13,013 | 13,318 | 106 | 118 |
| Total assets | | 53,416 | 53,521 | 25,470 | 25,259 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Share capital | 13 | 51,047 | 51,047 | 51,047 | 51,047 |
| Revenue reserve | | (39,215) | (39,506) | (40,665) | (40,607) |
| Foreign currency translation reserve | | 1,403 | 860 | – | – |
| Equity attributable to equity holders of the Company | | 13,235 | 12,401 | 10,382 | 10,440 |
| Non-controlling interests | | 6,097 | 6,035 | – | – |
| Total equity | | 19,332 | 18,436 | 10,382 | 10,440 |
| Liabilities | | | | | |
| Non-Current | | | | | |
| Loans and borrowings | 12 | 3,381 | 3,974 | – | – |
| Lease liabilities | | 1,451 | 1,451 | – | – |
| Deferred tax liabilities | | 120 | 120 | – | – |
| | | 4,952 | 5,545 | – | – |

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

Condensed interim statements of financial position (cont'd)
As at 30 June 2022

| | Note | The Group | | The Company | |
|---|------|-----------------|------------------|-----------------|------------------|
| | | 30 June 2023 | 31 March 2023 | 30 June 2023 | 31 March 2023 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Current | | | | | |
| Trade payables | | 6,053 | 6,903 | – | – |
| Provision for contribution to financial guarantee provided to an associated company | | 5,107 | 5,052 | 5,107 | 5,052 |
| Other payables and accruals | | 5,523 | 5,231 | 660 | 587 |
| Amounts due to subsidiaries | | – | – | 9,321 | 9,180 |
| Loans and borrowings | 12 | 11,227 | 11,157 | – | – |
| Lease liabilities | | 180 | 204 | – | – |
| Provision for taxation | | 1,042 | 993 | – | – |
| | | 29,132 | 29,540 | 15,088 | 14,819 |
| Total liabilities | | 34,084 | 35,085 | 15,088 | 14,819 |
| Total equity and liabilities | | 53,416 | 53,521 | 25,470 | 25,259 |

Condensed interim statements of changes in equity
Period ended 30 June 2023

| Group | Attributable to equity holders of the Company | | | | | |
|--|---|--------------------|---|--|----------------------------------|---------|
| | Share capital (Note 13) | Revenue reserve | Foreign currency translation reserve | Total equity attributable to owners of the Company | Non- controlling interests | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 April 2022 (restated) | 50,585 | (34,213) | (474) | 15,898 | 5,849 | 21,747 |
| Loss for the period (restated) | – | 437 | – | 437 | (1) | 436 |
| <u>Other comprehensive income</u> | | | | | | |
| Foreign currency translation (restated) | – | – | 1,053 | 1,053 | (68) | 985 |
| Total comprehensive income for the period (restated) | – | 437 | 1,053 | 1,490 | (69) | 1,421 |
| <u>Transactions with equity holders</u> | | | | | | |
| Distribution to non-controlling interests of subsidiary (restated) | – | – | – | – | (99) | (99) |
| As at 30 June 2022 (restated) | 50,585 | (33,776) | 579 | 17,388 | 5,681 | 23,069 |
| At 1 April 2023 | 51,047 | (39,506) | 860 | 12,401 | 6,035 | 18,436 |
| Profit for the period | – | 291 | – | 291 | 91 | 382 |
| <u>Other comprehensive income</u> | | | | | | |
| Foreign currency translation | – | – | 543 | 543 | (29) | 514 |
| Total comprehensive income for the period | – | 291 | 543 | 834 | 62 | 896 |
| As at 30 June 2023 | 51,047 | (39,215) | 1,403 | 13,235 | 6,097 | 19,332 |

Condensed interim statements of changes in equity (cont'd)
Period ended 30 June 2023

| Company | Share capital (Note 13) S\$'000 | Revenue reserve S\$'000 | Total S\$'000 |
|---|--|-------------------------------|----------------------|
| At 1 April 2022 | 50,585 | (36,657) | 13,928 |
| Profit for the period, representing total comprehensive income for the period | – | 15 | 15 |
| As at 30 June 2022 | <u>50,585</u> | <u>(36,642)</u> | <u>13,943</u> |
| At 1 April 2023 | 51,047 | (40,607) | 10,440 |
| Loss for the period, representing total comprehensive income for the period | – | (58) | (58) |
| As at 30 June 2023 | <u>51,047</u> | <u>(40,665)</u> | <u>10,382</u> |

Condensed interim consolidated statement of cash flows
Period ended 30 June 2023

| | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) |
|--|--|---|
| Operating activities | | |
| Profit before tax | 481 | 486 |
| Depreciation of property, plant and equipment | 431 | 542 |
| Depreciation of right-of-use assets | 53 | 73 |
| Interest expense | 226 | 245 |
| Expected loss on financial guarantee provided to an associated company | 160 | – |
| Write back of impairment of financial assets | (20) | (626) |
| (Gain)/loss on disposal of property, plant and equipment | (2) | 1 |
| Gain on disposal of right-of-use assets | (9) | – |
| Provision for stock obsolescence | – | 1 |
| Currency alignment | 14 | 287 |
| Operating cash flows before changes in working capital | 1,334 | 1,009 |
| <u>Changes in working capital</u> | | |
| Increase in inventories | (171) | (559) |
| Increase in trade and other receivables | (104) | (9) |
| Decrease in amount due from associates | 20 | 623 |
| (Decrease)/increase in trade and other payables | (847) | 203 |
| Cash flows generated from operations | 232 | 1,267 |
| Interest paid | (226) | (245) |
| Income tax paid | (59) | (19) |
| Net cash flows (used in)/generated from operating activities | (53) | 1,003 |
| Investing activities | | |
| Purchase of property, plant and equipment | (8) | (63) |
| Purchase of right-of-use assets | (14) | – |
| Proceeds from sale of property, plant and equipment | 4 | 303 |
| Proceeds from sale of right-of-use assets | 45 | – |
| Net cash flows generated from investing activities | 27 | 240 |

Condensed interim consolidated statement of cash flows (cont'd)
Period ended 30 June 2023

| | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) |
|---|--|---|
| Financing activities | | |
| Repayment of trust receipts and short-term borrowings | (24) | (432) |
| Repayment of interest bearing term loans | (347) | (989) |
| Repayment of principal portion of lease and hire purchase liabilities | (68) | (90) |
| Decrease in pledged fixed deposits | 337 | 252 |
| Repayment of amount due to non-controlling interests | – | (139) |
| Repayment to related parties | – | (137) |
| Net cash flows used in financing activities | (102) | (1,535) |
| Net decrease in cash and cash equivalents | (128) | (292) |
| Effect of exchange rate changes on cash and cash equivalents | (16) | (26) |
| Cash and cash equivalents at beginning at 1 April | 997 | 1,536 |
| Cash and cash equivalents at 30 June | 853 | 1,218 |
| Cash and cash equivalents consist of the following: | | |
| Cash and short-term deposits | 1,069 | 2,526 |
| Add: Bank overdraft | (216) | (875) |
| Less: Pledged short-term deposits | – | (433) |
| | 853 | 1,218 |

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 2023 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Group are:

- (a) Fire Protection Solutions - With a focus on supplying, installing and maintaining firefighting and protection equipment; and
- (b) Energy Services – With a focus on power generation and the distribution of controlled power supply.

The Group operates in Singapore, Cambodia and Malaysia.

2. Basis of preparation

The condensed interim financial statements for the three months ended 30 June 2023 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 2023.

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 2023.

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 2023, the Group generated a net profit after tax of S\$382,000 (30 June 2022: net profit after tax of S\$436,000). As at 30 June 2023, the Group's current liabilities (which includes loan and borrowings of S\$11,227,000) exceeded the Group's current assets by S\$16,119,000 (31 March 2023: S\$16,222,000) and the Company's current liabilities exceeded the Company's current assets by S\$14,982,000 (31 March 2023: S\$14,701,000).

As disclosed in Note 14, the corporate guarantees provided by the Group and Company included a guarantee of up to RM198,000,000 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 2023, the outstanding amounts owed by MJE to its bank amounted to RM85.8 million.

Developments post 30 June 2023

On 26 July 2023, the final balance of RM39.5 million has been remitted by the white knight to MJE's Bank and the Settlement Sum has been fully repaid. The Company is currently working with the white knight to get MJE's bank's final release on MJE's receivership, discharge the Group and Company of its corporate guarantee and the transfer of ownership of MJE.

In addition, at the close of the Rights Issue on 2 August 2023, valid acceptances and excess applications were received for 1,491,774,582 Rights Shares, allowing the Company to raise net proceeds of approximately S\$3.9 million (after deducting expenses of approximately S\$0.15 million arising from the Rights Issue). The Company will apply the full amount as financial assistance to either MJE or the white knight of MJE in order to secure a full discharge from the Corporate Guarantee and a clean exit from MJE. The Company will finance the shortfall payment of S\$1.2 million with its unutilised borrowings currently available to the Group.

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, mainly supported by its Fire Protection Solutions Division. Furthermore, the Company is positive that the SPA and SSA will be completed which will result in the release of corporate guarantees provided by the Group and Company to MJE's bank.

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. Adjustments may then 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.

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 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.

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments

| | Fire Protection Solutions | | Energy Services | | Total | |
|--|--|--|--|--|--|--|
| | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 (restated) |
| Revenue from external parties | 5,658 | 4,599 | 5,570 | 4,740 | 11,228 | 9,339 |
| Other income | 22 | 157 | – | – | 22 | 157 |
| Total revenue and other income | 5,680 | 4,756 | 5,570 | 4,740 | 11,250 | 9,496 |
| Reversal of impairment of financial asset | – | 3 | 20 | 623 | 20 | 626 |
| Expected loss on financial guarantee provided to an associated company | – | – | (159) | – | (159) | – |
| Depreciation of property, plant and equipment | (109) | (98) | (322) | (444) | (431) | (542) |
| Finance costs | (14) | (49) | (212) | (196) | (226) | (245) |
| Segment profit | 589 | 544 | 118 | 187 | 707 | 731 |
| Unallocated expenses | | | | | (226) | (245) |
| Profit before taxation | | | | | 481 | 486 |
| Income tax expense | | | | | (99) | (50) |
| Profit for the period | | | | | 382 | 436 |

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

| | Fire Protection Solutions | | Energy Services | | Total | |
|--|----------------------------|----------------------------|----------------------------|--|----------------------------|--|
| | 30 June 2023 S\$'000 | 30 June 2022 S\$'000 | 30 June 2023 S\$'000 | 30 June 2022 S\$'000 (restated) | 30 June 2023 S\$'000 | 30 June 2022 S\$'000 (restated) |
| Segment assets | 30,973 | 30,666 | 37,809 | 39,394 | 68,782 | 70,060 |
| Inter-segment assets | | | | | (15,950) | (14,615) |
| Goodwill | | | | | 175 | 175 |
| Deferred tax assets | | | | | 300 | – |
| Unallocated assets | | | | | 109 | 567 |
| Total assets per statement of financial position | | | | | 53,416 | 56,187 |
| | | | | | | |
| Additions to property, plant and equipment | 8 | 63 | – | – | 8 | 63 |
| Additions to right-of-use assets | 64 | – | – | – | 64 | – |
| Expenditures for segment non-current assets | 72 | 63 | – | – | 72 | 63 |
| | | | | | | |
| Segment liabilities | 16,769 | 16,876 | 60,918 | 55,680 | 77,687 | 72,556 |
| Inter-segment liabilities | | | | | (45,265) | (41,200) |
| Income tax payables | | | | | 1,042 | 758 |
| Deferred tax liabilities | | | | | 120 | 120 |
| Unallocated liabilities | | | | | 500 | 883 |
| Total liabilities per statement of financial position | | | | | 34,084 | 33,117 |

5.2. Disaggregation of revenue

| | The Group | |
|-----------------------------|--|--|
| | 3 months ended 30 June 2023 S\$'000 | 3 months ended 30 June 2022 S\$'000 |
| <hr/> | | |
| Types of goods or services: | | |
| - Sales of goods | 4,830 | 3,840 |
| - Sales of services | 6,398 | 5,499 |
| | <hr/> 11,228 <hr/> | <hr/> 9,339 <hr/> |
| Geographical information: | | |
| - Singapore | 4,931 | 3,931 |
| - Cambodia | 5,566 | 4,740 |
| - Other countries | 731 | 668 |
| | <hr/> 11,228 <hr/> | <hr/> 9,339 <hr/> |

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 2023 and 31 March 2023:

| 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 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Other investments | – | 161 | 161 | – | – | 161 | 161 |
| Assets held for sale | – | – * | – * | – | – | – * | – * |
| Trade and other receivables * | 7,102 | – | 7,102 | | | | |
| Cash and short-term deposits | 1,069 | – | 1,069 | | | | |
| | 8,171 | 161 | 8,332 | | | | |
| Financial liabilities | | | | | | | |
| Trade and other payables ^ | (16,059) | – | (16,059) | | | | |
| Loans and borrowings | (14,608) | – | (14,608) | – | – | (14,608) | (14,608) |
| Lease and hire purchase liabilities | (1,631) | – | (1,631) | – | – | (1,631) | (1,631) |
| | (32,298) | – | (32,298) | | | | |

* Excludes advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

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 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Other investments | – | 161 | 161 | – | – | 161 | 161 |
| Assets held for sale | – | –* | –* | – | – | –* | –* |
| Trade and other receivables * | 6,613 | – | 6,613 | | | | |
| Cash and short-term deposits | 1,698 | – | 1,698 | | | | |
| | 8,311 | 161 | 8,472 | | | | |
| Financial liabilities | | | | | | | |
| Trade and other payables ^ | (16,556) | – | (16,556) | | | | |
| Loans and borrowings | (15,131) | – | (15,131) | – | – | (15,131) | (15,131) |
| Lease and hire purchase liabilities | (1,655) | – | (1,655) | – | – | (1,655) | (1,655) |
| | (33,342) | – | (33,342) | | | | |

* Excludes advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

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 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and short-term deposits | 44 | - | 44 | | | | |
| Financial liabilities | | | | | | | |
| Other payables and accruals * | (5,745) | - | (5,745) | | | | |
| 31 March 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and short-term deposits | 72 | - | 72 | | | | |
| Financial liabilities | | | | | | | |
| Other payables and accruals * | (5,617) | - | (5,617) | | | | |

* Excludes GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

7. Profit before taxation

7.1 Significant items

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

| | The Group | |
|---|--|--|
| | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 |
| | S\$'000 | S\$'000 |
| Write back of impairment of financial assets | (20) | (626) |
| Contributions to defined contribution plans | 91 | 98 |
| Insurance | 49 | 62 |
| Inventories recognised as an expense in cost of sales | 2,919 | 2,322 |
| Legal fees | 50 | 6 |
| Travelling and transportation | 31 | 22 |
| Audit fees | 22 | 15 |
| Late payment interest to a supplier in Cambodia | 83 | 172 |

7.2 Related party transactions

| | The Group | |
|--|--|--|
| | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 |
| | S\$'000 | S\$'000 |
| <u>Sale and purchase of goods and services</u> | | |
| Purchase of goods from a firm related to a director | 67 | 42 |
| Sale of goods to a firm related to a director | 24 | 30 |
| <u>Directors' and executive officers' remuneration *</u> | | |
| Directors' remuneration | 159 | 159 |
| Executive officers' remuneration | 111 | 112 |

* Included in the above remuneration for the Group is payment for defined contribution plans of S\$10,000 for the 3 months ended 30 June 2023 (3 months ended 30 June 2022: 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:

| | <u>The Group</u> | |
|----------------------------|--|--|
| | <u>3 months ended 30 June 2023</u> | <u>3 months ended 30 June 2022</u> |
| | S\$'000 | S\$'000 |
| Current income tax expense | 99 | 50 |

9. Net asset value

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | <u>30 June 2023</u> | <u>31 March 2023</u> | <u>30 June 2023</u> | <u>31 March 2023</u> |
| Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore cents) | 0.8 | 0.7 | 0.6 | 0.6 |

The net asset value per ordinary share as at 30 June 2023 is calculated based on 1,741,647,873 (31 March 2023: 1,741,647,873) ordinary shares in issue (excluding treasury shares).

10. Goodwill

| | <u>The Group</u> | |
|----------|-------------------------|--------------------------|
| | <u>30 June 2023</u> | <u>31 March 2023</u> |
| 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 2023, the Group acquired assets amounting to S\$8,000 (30 June 2022: S\$63,000) and disposed of assets amounting to S\$1,000 (30 June 2022: S\$1,000).

12. Loans and borrowings

| | <u>The Group</u> | |
|--|-------------------------|--------------------------|
| | 30 June 2023 | 31 March 2023 |
| <u>Amount repayable within one year or on demand</u> | | |
| Secured | 8,609 | 8,759 |
| Unsecured | 2,618 | 2,398 |
| <u>Amount repayable after one year</u> | | |
| Unsecured | 3,381 | 3,974 |
| Total loans and borrowings | 14,608 | 15,131 |

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.

Right-of-use assets purchased under hire purchase have a carrying amount of S\$536,000 as at 30 June 2023 (31 March 2023: S\$623,000).

The Group's factory building with a carrying value of S\$2,913,000 as at 30 June 2023 (31 March 2023: S\$2,938,000) is subject to a first charge to secure the bank loans and borrowings.

13. Share capital

| | The Group and the Company | | | |
|---|---------------------------|---------------|--------------------------|---------|
| | 30 June 2023 | | 31 March 2023 | |
| | No. of shares '000 | S\$'000 | No. of shares '000 | S\$'000 |
| <u>Issued and fully paid ordinary shares</u> | | | | |
| At beginning of year | 1,741,648 | 51,047 | 1,556,463 | 50,585 |
| Shares issued | – | – | 185,185 | 500 |
| Share issue expenses | – | – | – | (38) |
| At end of period | 1,741,648 | 51,047 | 1,741,648 | 51,047 |

The total number of issued shares excluding treasury shares as at 30 June 2023 was 1,741,647,873 (31 March 2023: 1,741,647,873). 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 2023 and 30 June 2022.

The Company did not have any outstanding options or convertibles as at 30 June 2023 and 30 June 2022.

14. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US\$Nil (31 March 2023: US\$1.0 million) and S\$29.4 million (31 March 2023: S\$29.4 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 2023: RM198.0 million) to MJE's bank to secure banking facilities granted to MJE (Note 3).

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 remaining expected credit losses of Colben Energy Holdings (Maju Intan) Ltd's Share of the Settlement Sum and Share of the Costs under the SPA amounted to S\$5,107,000 (approximately RM17.3 million) (31 March 2023: RM20.7 million) and additional provision of S\$159,000 for the financial period 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 30 June 2023. As at 30 June 2023, the provision amounted to S\$5,107,000 (31 March 2023: S\$5,052,000).

14. Commitments and contingencies (cont'd)

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 S\$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 30 June 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")

Shareholders can refer to the Group's announcements released on 17 February 2022, 14 November 2022, 23 November 2022 and 5 January 2023 in relation to a civil judgement between Tela and Colben Cambodia.

As at 30 June 2023, Tela has yet to enforce their request for the repayment of outstanding amount due to them. The Company will provide further update to shareholders, as and when appropriate, should there be any material development concerning the above.

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

Shareholders can refer to the Company's announcements dated 26 February 2023, 11 March 2023, 15 March 2023, 29 March 2023, 31 March 2023, 1 July 2023 and 26 July 2023 for more information.

The Group has through its Legal Representative filed a notice of objection against RGPPSEZ with the Cambodia Court and on 27 April 2023, proceeded with an anti-suit injunction and anti-enforcement injunction with Singapore Court (ex parte application in the Singapore High Court, HC/SUM 1216/2023 ("**SUM 1216**"), for an order that the Injunctions sought in OA 434 be granted on an interim basis, pending the hearing and final determination of OA 434) 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 RGPPSEZ from carrying out any further damaging action relating to the procedurally invalid General Meeting of Colben Energy Holdings (PPSEZ) Limited ("**Colben PPSEZ**") held on 14 March 2023.

14. Commitments and contingencies (cont'd)

Legal claims (cont'd)

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

Developments post 30 June 2023

On 25 July 2023, Colben PPSEZ and Colben System Pte Ltd ("CSPL") have received the Court's reply allowing the withdrawal of SUM 1216, and re-fixing the case conference to 10 August 2023. A meeting was held on 31 July 2023 between the parties and negotiation is still ongoing. As at the date of this announcement, no action had been taken by CSPL as the proposed case conference has been deferred to 3 September 2023 as agreed by both parties. Please refer to the Company's separate announcement released on SGXNet for more details.

Shareholders should take note that steps have been taken towards resolving the dispute amicably. However, barring any breakdown on the amicable negotiation, the Company will do its best to protect the rights of its Shareholders and its the Group's interest through all legal means available to the Group. The Company will update Shareholders on the outcome of the amicable settlement negotiations in due course and any material updates in respect to the matters above.

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 Catalyst 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 2023 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 the financial year ended 31 March 2023 ("FY2023"), Foo Kon Tan LLP, the Group's auditors, have issued a disclaimer opinion in respect of the material uncertainties on the Group's and the Company's ability to continue as a going concern arising from (i) the risk of lender calling on the financial guarantee provided by the Group and Company due to the final balance of RM39.5 million not being settled on the agreed settlement date of 30 June 2023 with request for extension being made to the lender, (ii) the inability by Management to quantify the expected credit losses (ECL) on financial guarantees extended to lender on behalf of its associate should the lender not accede to the request in (i) and called on the financial guarantee; and (iii) effect of potential loss of control of the Company's subsidiary, Colben Energy (Cambodia) PPSEZ Ltd (collectively, the "Audit Issues").

Details relating to the Group's comments on the Group's and the Company's ability to continue as a going concern and the efforts taken to resolve the Audit Issues are detailed in Section 4 of "Other Information Required by Catalyst Rule Appendix 7C".

The Board confirms that the impact of the Audit Issues on the financial statements in relation to FY2023 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 2023 | 3 months ended 30 June 2022 |
| (Singapore Cents) | | |
| (a) Based on weighted average number of ordinary shares in Issue | 0.02 | 0.03 |
| (b) On a fully diluted basis | 0.02 | 0.03 |

Asiatic Group (Holdings) Limited and its Subsidiaries

The profit per ordinary share for the respective financial periods were calculated based on the Group's profit after taxation attributable to equity holders of the parent of S\$291,000 for the 3 months ended 30 June 2023 (profit after taxation attributable to equity holders of the parent for the 3 months ended 30 June 2022: S\$437,000), divided by the weighted average number of ordinary shares in issue of 1,741,647,873 as at 30 June 2023 (30 June 2022: 1,556,462,688).

The basic and diluted profit per ordinary share are the same for the 3 months ended 30 June 2023 and 30 June 2022 because there were no potentially dilutive ordinary securities as at 30 June 2023 and 30 June 2022 respectively.

4. Review of performance of the Group

Revenue

| | 3 months ended 30 June 2023 | | 3 months ended 30 June 2022 | | Increase/ (Decrease) |
|-----------------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|-------------------------|
| | S\$'000 | % of total revenue | S\$'000 | % of total revenue | % |
| By business divisions | | | | | |
| - Fire Protection Solutions | 5,658 | 50.4% | 4,599 | 49.2% | 23.0% |
| - Energy Services | 5,570 | 49.6% | 4,740 | 50.8% | 17.5% |
| Total revenue | 11,228 | 100.0% | 9,339 | 100.0% | 20.2% |

The Group's revenue for 3 months ended 30 June 2023 increased by 20.2% from the corresponding period in 2022. The Fire Protection Solutions division saw an increase in revenue from both the industrial and marine sectors as a result of an increase in local and overseas demand post Covid-19 pandemic. The increase in revenue in the Energy Services division was attributed to the increase in the electricity demand by tenants in the Special Economic Zone power plant as compared to the 3 months ended 30 June 2022, mainly due to the hot weather experienced in Cambodia during April to June 2023 caused by El Nino.

Profitability

Decrease in other income mainly resulted from the decrease in government grants received during the 3 months ended 30 June 2023.

Cost of sales increased in line with the increase in revenue in the Fire Protection Solutions and Energy Services divisions during the 3 months ended 30 June 2023. During the period, the Fire Protection Solutions division saw a decrease in gross margin due to completion of lower margin projects during the period.

Decrease in depreciation during the period was mainly due to a one-off adjustment for the 3 months ended 30 June 2022 that was only made in the 3 months ended 30 September 2022. Should the one-off adjustment not be required, the depreciation remained relatively unchanged when compared to 3 months ended 30 June 2022.

Foreign exchange gain during the period was mainly resulted from exchange gain arising from depreciation of MYR against SGD on MYR denominated payable relating to the provision for contribution to financial guarantee provided to an associated company and further gain arising from appreciation of USD against SGD on USD denominated receivables from subsidiaries during the period.

Write back on impairment of financial assets relates to write back in the impairment previously recorded on the receivable from MJE following the exchange loss recognised on the MYR denominated receivables from MJE as a result of the depreciation of MYR against SGD.

Subsequent to the previous financial year end, the Company and Group recognised additional provision for contribution to financial guarantee provided to an associated company following the finalisation of the contribution sum (note 3).

During the period, the Group increased the headcount to support the increase in operations in the Fire Protection Solutions division, resulting in an increase in staff costs during the 3 months ended 30 June 2023.

Due to a combination of the above factors, the Group recorded a profit after tax of S\$0.4 million during the 3 months ended 30 June 2023 as compared to a profit after tax of S\$0.5 million for the corresponding period in 2022.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$0.5 million (3 months ended 30 June 2022: foreign currency translation gain of S\$1.0 million). Translation gain was mainly due to the appreciation of USD against SGD on the Cambodia entities with USD as its functional currency.

Balance Sheet

As at 30 June 2023, non-current assets increased due to the translation gain on the property, plant and equipment in the Cambodia entity as a result of the appreciation of USD against SGD and purchase of right-of-use asset during the period. The increase is partially offset by the depreciation of property, plant and equipment (S\$0.4 million) and depreciation of right-of-use assets (S\$0.1 million).

During the period, inventories increased to meet the increased demand required to fulfil projects in the Fire Protection Solutions division. Trade receivables also increased as a result of the increase in sales during the period. On the other hand, other receivables decreased mainly due to the decrease in advances to suppliers because the Fire Protection Solutions division had lesser purchase requirement as at 30 June 2023.

Decrease in current liabilities was mainly due to the faster repayment of trade payables in its Energy Services division, partially offset by additional provision for contribution to financial guarantee provided to an associated company following the finalisation of the contribution sum (Note 3) and increase in other payables and accruals caused by the additional provision for late payment interest to a supplier in Cambodia.

Non-current loan and borrowings decreased due to the reclassification of non-current portion of term loan to current.

As at 30 June 2023, the Group had a net current liabilities position of S\$16.1 million arising from the utilisation of short-term financing to support the Group's energy projects and provision for contribution to financial guarantee provided to an associated company. The net current liabilities position had slightly improved during the period due to the various movement in current assets and liabilities mentioned above. With respect to the Group's ability to continue as a going concern, in the opinion of the Board, the Group and the Company are able to continue as a going concern despite the conditions as stated in the Note 3 of the "Notes to the condensed interim consolidated financial statements" as:

- (a) The Board is of the view that the Group will continue to receive financial support from the banks. Subsequent to 30 June 2023, the Group has successfully rolled over approximately S\$10.9 million out of S\$11.2 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 August 2023, 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) EM has remitted the final balance of RM39.5 million to the MJE's bank and has fulfilled the Settlement Sum. The Company is currently working with the white knight to get MJE's bank's final release on MJE's receivership, discharge the Group and Company of its corporate guarantee and the transfer of ownership of MJE. The Board is of the view that with the proceeds from the Rights Issue and its unutilised borrowings, the Group will be able to fulfil the Group's Co-Funding under the arrangement with EM, complete the SPA and SSA and the completion of the remaining procedures with MJE's bank to discharge the Group and Company of its corporate guarantee (Note 14) provided to the MJE's bank. Once the discharge is obtained and ownership being is finalised, MJE will no longer be part of the Group and be reported in the Group's results announcement; and
- (d) Relating to the ongoing dispute with the joint venture partner of Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ"), the Group and Company has taken steps to protect its rights under the Shareholder agreement and Joint Venture agreement and will continue to take steps to resolve the dispute amicably. The Group endeavours a favourable outcome between the parties. Further announcements will be made to update the shareholders of any material updates on the matters, as and when necessary.

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 2023, net cash used in operating activities amounted to S\$0.1 million after taking into account the working capital and payment of interest and tax. Net cash outflow from operating activities was mainly contributed by the faster repayment of trade payables in the Energy Services division and increase in trade receivables and inventories as a result of and to support higher sales during the period.

Net cash flow generated from investing activities was resulted from the proceeds from disposal of right-of-use assets and property, plant and equipment. The inflow was partially offset by purchase of right-of-use assets and property, plant and equipment.

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, and (iii) repayment of lease and hire purchase liabilities. This is partially offset by decrease in pledged fixed deposits during the period. As a result, overall cash balance decreased by S\$0.1 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

The financial results are in line with the forecast statement disclosed in the Company's financial results announcement for the financial year ended 31 March 2023 dated 26 May 2023.

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

The Group continues to pivot away from its Energy Services division and work towards refocusing attention and resources on our Fire Protection Solutions division, with the aim to expand market share and product base. The Group had testbed its new intelligence system (Fire Intelligence and Smart Control System) and had secured its maiden order to manufacture the smart control systems for testing and implementation and will work towards securing more contracts. The Group will continue to stay vigilant to proactively manage and mitigate the impact of rising costs across the respective business divisions.

The Group will also continue to monitor its cash flow over the next 12 months and where needed, implement strategies to minimise any liquidity impact to the Group business.

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 was no IPT of S\$100,000 and above entered into during the period.

10. Utilisation of proceeds

Pursuant to the completion of the Company's rights issue as announced on 10 August 2023 ("Rights Issue"), the Company has raised net proceeds of approximately S\$3.9 million (after deducting expenses for the Rights Issue of approximately S\$150,000). The Company will apply the full amount as financial assistance to either MJE or the white knight of MJE in order to secure a full discharge from the Corporate Guarantee and a clean exit from MJE. As at the date of this announcement, the net proceeds have yet to be utilised.

11. Additional information required pursuant to Rule 706A

The Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A during the 3 months ended 30 June 2023.

12. 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.

13. 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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Boon Kheng
Managing Director

Tan Boon Siang
Executive Director

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director
14 August 2023

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

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