

ASIATIC GROUP (HOLDINGS) LIMITED
(Company Registration No: 200209290R)
(Incorporated in the Republic of Singapore)

I. PRIOR YEAR ADJUSTMENT AND RESTATEMENT OF FY2022 FINANCIAL STATEMENTS

II. MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board of Directors (“**Board**”) of Asiatic Group (Holdings) Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce (i) the prior year adjustments made to the Company’s prior financial statements for the financial year ended 31 March 2022 (“**FY2022**”); and (ii) material differences between unaudited and audited financial statements for the financial year ended 31 March 2023 (“**FY2023**”).

(I) PRIOR YEAR ADJUSTMENT AND RESTATEMENT OF FY2022 FINANCIAL STATEMENTS

The Board wishes to announce the prior year adjustments made to the Company’s prior financial statements for FY2022, details and the effect of the adjustments to the consolidated financial position, consolidated statement of comprehensive income and consolidated statements of cash flows for FY2022 are set out below:

The Group	As reported \$'000	Adjustments \$'000	As restated \$'000	Refer to Explanatory Notes
<u>Consolidated statements of financial position</u>				
<u>At 1 April 2021</u>				
<u>Non-current liability</u>				
Amount due to non-controlling interests of subsidiary	1,926	(1,926)	-	(1)
<u>Equity</u>				
Non-controlling interests	7,162	1,926	9,088	(1)
<u>At 31 March 2022</u>				
<u>Current liability</u>				
Other payables and accruals	4,870	575	5,445	(2)
<u>Non-current liability</u>				
Amount due to non-controlling interests of subsidiary	1,485	(1,485)	-	(1)
<u>Equity</u>				
Accumulated losses	(33,726)	(487)	(34,213)	(2)
Foreign currency translation reserve	(472)	(2)	(474)	(2)
Non-controlling interests	4,450	1,399	5,849	(1), (2)

The Group	As reported \$'000	Adjustments \$'000	As restated \$'000	Refer to Explanatory Notes
<u>Consolidated statement of profit or loss and comprehensive income for the financial year ended 31 March 2022</u>				
Other operating expenses	(2,975)	(572)	(3,547)	(2)
Foreign currency translation	443	3	440	(2)
<u>Consolidated statements of cash flows for the financial year ended 31 March 2022</u>				
Cash Flows from Operating Activities				
Loss before taxation	(11,435)	(572)	(12,007)	(2)
Operating profit before working capital changes	3,324	(572)	2,752	(2)
Increase/(decrease) in trade and other payables	(969)	572	(397)	(2)

Explanatory Notes:

- (1) The Group incorrectly classified amount due to non-controlling interests of subsidiary as a non-current liability while the amount is repayable at the discretion of the subsidiary. Hence, it is now reclassified to "Other reserves" in equity.
- (2) On 2 November 2022, the Group received translated copies of the civil judgement no. 127 dated 9 February 2022 issued by the Phnom Penh Court stating that the Group is required to pay a penalty interest at the rate of 2% per month on the amount of USD2,074,530.64 (equivalent to approximately \$2,810,000) from June 2021 until the outstanding amount is fully repaid. As the civil judgement no. 127 dated 9 February 2022 was received after the financial statements for the previous financial year was finalised, prior year adjustment was effected to recognise the accrual of penalty interest in the appropriate accounting period.

The above adjustments were made on the Company's FY2022 financial statements, and hence, there is no material or significant impact to the Group's cash flow for the current financial year ending 31 March 2024.

(II) MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board refers to the announcement released by the Company on 26 May 2023 in relation to its unaudited full year financial statements ("**Unaudited Results**") for FY2023. Further reference is made to the audited financial statements of the Group for FY2023 ("**Audited Financial Statements**"). Shareholders of the Company are advised to read the Audited Financial Statements in its entirety in its annual report FY2023, which will be announced by the Company on the SGXNet on or before 16 July 2023.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify that subsequent to the release of the Unaudited Results, the Audited Financial Statements contain certain material differences. Detailed information is set out below.

Consolidated Balance Sheet

Group	Unaudited	Audited	Variance	Refer to Explanatory Notes
	S\$'000	S\$'000	S\$'000	
Non-current assets				
Property, plant and equipment	35,848	37,645	(1,797)	(1)
Deferred tax assets	-	294	(294)	(2)
Equity				
Accumulated losses	(35,933)	(39,506)	3,573	(1), (2), (4)
Non-controlling interests	4,587	6,035	(1,448)	(1), (3)
Non-current liabilities				
Amount due to non-controlling interests	911	-	911	(3)
Current liabilities				
Provision for contribution to financial guarantee provided to an associated company	-	5,052	(5,052)	(4)
Company				
Non-current assets				
Investment in subsidiaries	24,429	25,138	(709)	(5)

Consolidated Income Statement

Group	Unaudited	Audited	Variance	Refer to Explanatory Notes
	S\$'000	S\$'000	S\$'000	
Reversal of impairment of property, plant and equipment	-	1,881	(1,881)	(1)
Expected credit loss on financial guarantee provided to an associated company	-	(6,297)	6,297	(4), (6)
(Impairment of)/reversal of financial assets	(578)	668	(1,246)	(6)
Other operating expenses	(3,573)	(3,003)	(570)	(7)
Taxation	(602)	(379)	(223)	(2)

Explanatory Notes:

- (1) Increase in property, plant and equipment is mainly due to the reversal of impairment of property, plant and equipment of \$1,881,000 recognised in the consolidated income statement resulted from a write back of the power plant assets to its recoverable amount following the valuations of the property, plant and equipment performed by Asian Appraisal Co. Pte. Ltd. and KEY Real Estate Co., Ltd., independent firms of valuers, on 19 June 2023 and 16 June 2023. In addition, the reversal of impairment is on the property, plant and equipment held by a subsidiary that is not wholly owned by the Group. As such, this resulted in an increase in non-controlling interests in the consolidated balance sheet.
- (2) Increase in deferred tax assets is resulted from the recognition of temporary differences arising from the differences in depreciation for tax purposes from its operations in the Energy Services segment. This has resulted in a corresponding decrease in taxation in the consolidated income statement and accumulated losses in the consolidated balance sheet.
- (3) Decrease in amount due to non-controlling interests of subsidiary in Non-Current Liability is due to the reclassification of the amount to non-controlling interests in Equity as the amount is repayable at the discretion of the subsidiary.
- (4) Increase in provision for contribution to financial guarantee provided to an associated company is related to the share of settlement sum and costs under the Sales and Purchase Agreement (“SPA”) entered into by Colben Energy Holdings (Maju Intan) Ltd and Etagreen Management Sdn. Bhd for the release of the corporate guarantee provided by the Group and the Company to Maju Intan Biomass Energy Sdn Bhd’s bank that is approximated to be RM20.7 million, out of which RM4.0 million has been paid through the application of bank deposit as repayment to the associated company’s bank. This has resulted in a corresponding increase in expected credit loss on financial guarantee provided to an associated company in the consolidated income statement and accumulated losses in the consolidated balance sheet.
- (5) Increase in investment in subsidiaries is due to a reversal of impairment loss of \$709,000 recorded on the Company’s investment in a subsidiary that holds an equity investment in an energy related business in Cambodia.
- (6) Decrease in (impairment of)/reversal of financial assets is due to the reclassification of expected credit loss on financial guarantee provided to an associated company. This resulted in a corresponding increase in expected credit loss on financial guarantee provided to an associated company.
- (7) Decrease in other operating expenses is mainly due to the adjustment to restate the portion of late interest penalty to a supplier of a Cambodia subsidiary to the financial year ended 31 March 2022.

The Company would like to highlight to shareholders of the Company that there are other reclassifications made to certain line items in the Audited Financial Statements which do not have any net impact on the Group’s financial results. The Board is hence of the opinion that these reclassifications are not material, except for the reclassifications set out in explanatory notes above.

CAUTION STATEMENT

The Board of the Company wishes to advise the shareholders and investors of the Company to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Tan Boon Kheng
Managing Director

11 July 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 document.*

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