

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

Registration Number : 200209290R

Condensed Interim Financial Statements

For the financial year ended 31 March 2023

Table of Contents

A. Condensed interim consolidated statement of profit or loss	1
B. Condensed interim consolidated statement of other comprehensive income	2
C. Condensed interim statements of financial position	3
D. Condensed interim statements of changes in equity	5
E. Condensed interim consolidated statement of cash flows	7
F. Notes to the condensed interim consolidated financial statements	9
G. Other Information Required by Listing Rule Appendix 7C	29

Condensed interim consolidated statement of profit or loss
Financial year ended 31 March 2023

	Note	The Group			The Group		
		3 months ended	3 months ended	Change	Year ended	Year ended	Change
		31 Mar 2023	31 Mar 2022	%	31 Mar 2023	31 Mar 2022	%
		S\$'000	S\$'000		S\$'000	S\$'000	
Revenue							
Sale of goods	5.2	4,352	4,827	(9.84)	18,106	17,786	1.80
Sale of services	5.2	5,975	5,119	16.72	23,213	18,927	22.64
		10,327	9,946	3.83	41,319	36,713	12.55
Other income		46	281	(83.63)	256	801	(68.04)
Costs and expenses							
Cost of sales		(7,012)	(7,150)	(1.93)	(27,763)	(25,811)	7.56
Foreign exchange loss		(52)	(419)	(87.59)	(1,895)	(232)	N.M.
Staff costs		(1,717)	(1,392)	23.35	(6,571)	(5,737)	14.54
Depreciation of property, plant and equipment		(426)	(501)	(14.97)	(1,584)	(2,121)	(25.32)
Depreciation of right-of-use assets		(31)	(77)	(59.74)	(267)	(312)	(14.42)
Impairment of property, plant and equipment		–	(10,762)	N.M.	–	(10,762)	N.M.
Impairment of financial assets		(1,284)	(95)	N.M.	(578)	(108)	435.19
Other operating expenses		(1,816)	(1,403)	29.44	(3,573)	(2,975)	20.10
Finance costs		(187)	(228)	(17.98)	(852)	(891)	(4.38)
Loss before tax	7.1	(2,152)	(11,800)	(81.76)	(1,508)	(11,435)	(86.81)
Income tax expense	8	(87)	922	N.M.	(602)	601	N.M.
Loss for the year		(2,239)	(10,878)	(79.42)	(2,110)	(10,834)	(80.52)
Attributable to:							
Equity holder of the Company		(2,116)	(8,258)	(74.38)	(2,207)	(8,198)	(73.08)
Non controlling interest		(123)	(2,620)	(95.31)	97	(2,636)	N.M.
		(2,239)	(10,878)	(79.42)	(2,110)	(10,834)	(80.52)

N.M. : Not meaningful

Condensed interim consolidated statement of other comprehensive income
Financial year ended 31 March 2023

Note	The Group			The Group		
	3 months ended	3 months ended	Change %	Year ended	Year ended	Change %
	31 Mar 2023	31 Mar 2022		31 Mar 2023	31 Mar 2022	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss for the year	(2,239)	(10,878)	(79.42)	(2,110)	(10,834)	(80.52)
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(124)	483	N.M.	1,430	443	222.80
Other comprehensive income for the year, net of tax	(124)	483	N.M.	1,430	443	222.80
Total comprehensive income for the year	(2,363)	(10,395)	(77.27)	(680)	(10,391)	(93.46)
Attributable to:						
Equity holder of the Company	(2,264)	(7,765)	(70.84)	(817)	(7,746)	(89.45)
Non controlling interest	(99)	(2,630)	(96.24)	137	(2,645)	N.M.
	(2,363)	(10,395)	(77.27)	(680)	(10,391)	(93.46)
	Cents	Cents		Cents	Cents	
Loss per share (cent per share)						
Basic and Diluted	(0.13)	(0.70)		(0.12)	(0.70)	

N.M. : Not meaningful

**Condensed interim statements of financial position
As at 31 March 2023**

	Note	The Group		The Company	
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-Current					
Property, plant and equipment	11	35,848	37,496	3	4
Investments in subsidiaries		–	–	24,429	23,787
Right-of-use assets		1,928	2,069	–	–
Goodwill	10	175	175	–	–
Other investments		161	161	–	–
		38,112	39,901	24,432	23,791
Current					
Assets held for sale		– *	– *	–	–
Inventories		3,977	4,073	–	–
Trade receivables		6,081	7,280	–	–
Other receivables		1,159	1,379	–	–
Prepayments		403	331	46	21
Cash and short-term deposits		1,698	3,523	72	37
		13,318	16,586	118	58
Total assets		51,430	56,487	24,550	23,849
Equity and Liabilities					
Equity					
Share capital	13	51,047	50,585	51,047	50,585
Revenue reserve		(35,933)	(33,726)	(36,223)	(36,657)
Foreign currency translation reserve		918	(472)	–	–
		16,032	16,387	14,824	13,928
Non-controlling interests		4,587	4,450	–	–
Total equity		20,619	20,837	14,824	13,928
Liabilities					
Non-Current					
Loans and borrowings	12	3,974	5,785	–	–
Amount due to non-controlling interests		911	1,485	–	–
Lease and hire purchase liabilities		1,451	1,570	–	–
Deferred tax liabilities		120	120	–	–
		6,456	8,960	–	–

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

Condensed interim statements of financial position (cont'd)
As at 31 March 2023

	Note	The Group		The Company	
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Current					
Trade payables		6,903	5,643	–	–
Other payables and accruals		5,191	4,870	547	565
Amounts due to subsidiaries		–	–	9,179	9,356
Loans and borrowings	12	11,157	15,170	–	–
Lease and hire purchase liabilities		204	287	–	–
Provision for taxation		900	720	–	–
		24,355	26,690	9,726	9,921
Total liabilities		30,811	35,650	9,726	9,921
Total equity and liabilities		51,430	56,487	24,550	23,849

Condensed interim statements of changes in equity
Financial year ended 31 March 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 2021	50,585	(25,528)	(924)	24,133	7,162	31,295
Loss for the year	–	(8,198)	–	(8,198)	(2,636)	(10,834)
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	452	452	(9)	443
Total comprehensive income for the year	–	(8,198)	452	(7,746)	(2,645)	(10,391)
<u>Distribution to non-controlling interests</u>						
Dividend	–	–	–	–	(67)	(67)
	–	–	–	–	(67)	(67)
As at 31 March 2022	50,585	(33,726)	(472)	16,387	4,450	20,837
At 1 April 2022	50,585	(33,726)	(472)	16,387	4,450	20,837
Loss for the year	–	(2,207)	–	(2,207)	97	(2,110)
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	1,390	1,390	40	1,430
Total comprehensive income for the year	–	(2,207)	1,390	(817)	137	(680)
Issuance of shares	462	–	–	462	–	462
As at 31 March 2023	51,047	(35,933)	918	16,032	4,587	20,619

Condensed interim statements of changes in equity (cont'd)
Financial year ended 31 March 2023

Company	Share capital (Note 13) S\$'000	Revenue reserve S\$'000	Total S\$'000
At 1 April 2021	50,585	(28,232)	22,353
Loss for the year, representing total comprehensive income for the year	–	(8,425)	(8,425)
As at 31 March 2022	<u>50,585</u>	<u>(36,657)</u>	<u>13,928</u>
At 1 April 2022	50,585	(36,657)	13,928
Profit for the year, representing total comprehensive income for the year	–	434	434
Issuance of shares	462	–	462
As at 31 March 2023	<u>51,047</u>	<u>(36,223)</u>	<u>14,824</u>

Condensed interim consolidated statement of cash flows
Financial year ended 31 March 2023

	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000
Operating activities				
Loss before tax	(2,152)	(11,800)	(1,508)	(11,435)
Depreciation of property, plant and equipment	426	501	1,584	2,121
Depreciation of right-of-use assets	31	77	267	312
Interest expense	187	228	852	891
Impairment of property, plant and equipment	–	10,762	–	10,762
Impairment of financial assets	1,284	95	578	108
Loss on disposal of property, plant and equipment	–	447	1	446
Interest income	–	(17)	(21)	(37)
Provision for stock obsolescence, net	22	(1)	23	–
Currency alignment	(6)	236	1,854	156
Operating cash flows before changes in working capital	(208)	528	3,630	3,324
Changes in working capital				
(Increase)/decrease in inventories	(197)	486	72	(320)
Decrease/(increase) in trade and other receivables	480	(97)	959	702
(Increase)/decrease in amount due from associates	–	(61)	701	(80)
Decrease in provision for demobilisation cost	–	(94)	–	(233)
Decrease in provision for restructuring cost	–	(1)	–	(185)
Increase/(decrease) in trade and other payables	1,706	28	1,921	(969)
Cash flows generated from operations	1,781	789	7,283	2,239
Interest received	–	(3)	21	17
Interest paid	(164)	(228)	(754)	(891)
Income tax paid	(66)	(39)	(416)	(348)
Net cash flows generated from operating activities	1,551	519	6,134	1,017
Investing activities				
Purchase of property, plant and equipment	(117)	(15)	(485)	(384)
Purchase of right-of-use assets	–	(17)	–	(72)
Proceeds from sale of property, plant and equipment	–	881	303	887
Net cash flows generated from/(used in) investing activities	(117)	849	(182)	431

Condensed interim consolidated statement of cash flows (cont'd)
Financial year ended 31 March 2023

	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000
Financing activities				
Net proceeds from issuance of shares	462	–	462	–
Placement of non-refundable deposit to associate's receiver	–	–	(1,252)	–
Proceeds from/(repayment of) trust receipts and short-term borrowings	95	(221)	(484)	151
(Repayment of)/proceeds from interest bearing term loans	(1,033)	(958)	(4,400)	1,728
Repayment of principal portion of lease and hire purchase liabilities	(67)	(151)	(426)	(468)
Decrease in pledged fixed deposits	1	81	328	81
Repayment of amount due to non-controlling interests	(146)	(129)	(564)	(452)
Advances from/(repayment to) related parties	–	109	(163)	115
Net cash flows (used in)/generated from financing activities	(688)	(1,269)	(6,499)	1,155
Net increase/(decrease) in cash and cash equivalents	746	99	(547)	2,603
Effect of exchange rate changes on cash and cash equivalents	26	(6)	8	(12)
Cash and cash equivalents at beginning of period	225	1,443	1,536	(1,055)
Cash and cash equivalents at 31 Mar	997	1,536	997	1,536
Cash and cash equivalents consist of the following :				
Cash and short-term deposits	1,698	3,523	1,698	3,523
Add: Bank overdraft	(369)	(1,319)	(369)	(1,319)
Less: Pledged short-term deposits	(332)	(668)	(332)	(668)
	997	1,536	997	1,536

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 year ended 31 March 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 year ended 31 March 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 2022.

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 accounting standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group, however, 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 2022.

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 year ended 31 March 2023, the Group incurred a net loss after tax of S\$2,110,000 (31 March 2022: net loss after tax of S\$10,834,000). As at that date, the Group's current liabilities (which includes loan and borrowings of S\$11,157,000) exceeded the Group's current assets by S\$11,037,000 (31 March 2022: S\$10,104,000) and the Company's current liabilities exceeded the Company's current assets by S\$9,608,000 (31 March 2022: S\$9,863,000).

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 31 March 2023, the outstanding amounts owed by MJE to its bank amounted to RM85.7 million. On 19 March 2020, the Company entered into a sale and purchase agreement with Hualang Renewable Energy Sdn Bhd ("Hualang") 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 Hualang 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 Hualang and that no further utilisation of their existing facility arrangements (the "Facilities") shall be made and the same facilities were cancelled. On 8 November 2021, the Company was notified by Hualang that it is in discussion and seeking to submit an alternative debt restructuring proposal for MJE's debt obligations to MJE's bank 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 withholding legal action until 31 December 2021, subject to MJE continuing to service existing instalments until 31 December 2021. On 18 January 2022, the Company had obtained further extension from MJE's bank to withhold legal action until 28 February 2022, subject to MJE continuing to service existing instalments until 28 February 2022.

3. Going concern assumption (cont'd)

On 14 March 2022, the Company obtained a final extension from MJE's bank to withhold legal action until 31 May 2022, subject to MJE making an upfront payment of RM 300,000 by 15 March 2022, MJE continuing to servicing existing instalments until May 2022 and submission of documentary evidence in regard to concurrence/ consent by Tenaga Nasional Berhad, Energy Commission and other authorities as required on changes of shareholdings of MJE by 30 April 2022. On 9 May 2022, the Group had terminated the sale and purchase agreement with Hualang and instead entered into a restructuring framework agreement with Lecca Group Pte. Ltd. ("Lecca") on 10 May 2022 for the sale and purchase of at least 85% of the shares in MJE, discharge by MJE's bank of existing security they hold and fundraising of up to S\$3 million by the Group from Lecca or its associates. On 6 July 2022, the debt restructuring proposal submitted by Lecca to MJE's bank was rejected via a letter in writing from MJE's bank solicitor, Messrs. Ramesh Dipendra Jeremiah Law for failing to comply with the following terms and conditions imposed by MJE's bank where MJE's bank had agreed to withhold legal action against MJE and the security parties until 31 May 2022:

- (i) submission of substantive and concrete documentary evidence acceptable to the MJE's bank with regard to the source of financing in relation to the proposed full and final settlement of the said banking facilities, together with the payment of non-refundable deposit of RM2,000,000, both by 31 May 2022; and
- (ii) submission of documentary evidence with regards to concurrence/ consent by Tenaga Nasional Berhad, Energy Commission and other authorities as required on changes of shareholdings of MJE, by 30 April 2022.

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

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

3. Going concern assumption (cont'd)

On 29 March 2023, the Company received a notification from the Receivers that MJE's bank has on 27 March 2023 given their acceptance to the Receivers on the settlement proposal of RM52,500,000 (the "Settlement Sum") proposed by the Receivers subject to, inter alia, the following terms and conditions:

- (i) The bank deposit of RM4,000,000 MJE has with MJE's bank will be applied as repayment to MJE's bank;
- (ii) Payment of RM500,000 by the individual guarantors, namely Tan Boon Kheng and Tan Boon Yew to MJE's bank by 30 April 2023 ("Individual Guarantors' Payment");
- (iii) RM48,000,000 be repaid in accordance with an agreed schedule ("Balance") and the final payment of the Balance by 30 June 2023;
- (iv) settlement of all costs pertaining to the settlement arrangement including but not limited to the cost of the Receivers, the discharge of securities ("Costs"); and
- (v) Consent from Credit Guarantee Corporation ("CGC") on the settlement arrangement. CGC is a government organisation in Malaysia which provided a limited guarantee under the incentive programme offered in Malaysia for investment in green energy for the loan took up by MJE previously.

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

- (i) CEH will waive its rights to the pre-paid advance to MJE of RM 4 million ("Advance"). The Advance was previously deposited in the bank account of MJE in August 2022 to facilitate the negotiation with MJE's Bank.
- (ii) Out of the Balance amounting to RM 48.5 million, CEH will assist MJE to pay RM 14.5 million to MJE's Bank ("CEH's Share of the Settlement Sum");
- (iii) CEH will pay for 50% of the Costs ("CEH's Share of the Costs"), which is estimated by the Company to be RM 1,000,000;
- (iv) Payment of RM 500,000 by the individual guarantors, namely Tan Boon Kheng and Tan Boon Yew to MJE's Bank by 30 April 2023, which has been completed ("Individual Guarantors' Payment");
- (v) EM will take over MJE for a nominal cash consideration of RM 10.00; and
- (vi) EM will subscribe to new shares in the capital of MJE. The subscription sums will be applied as repayment to MJE's Bank and working capital of MJE.

3. Going concern assumption (cont'd)

In view of the foregoing, CEH and EM have entered into a share purchase agreement ("SPA") dated 8 May 2023 where CEH will transfer all of its 30% shareholdings in MJE to EM for a nominal consideration of RM 10.00. Under the SPA, CEH has also agreed to pay MJE's bank the CEH's Share of the Settlement Sum and the CEH's Share of the Costs. Concurrently, MJE will enter into a share subscription agreement ("SSA") with EM at a later date where EM will subscribe to a total of RM 65 million of new shares (ordinary and redeemable preference) in MJE ("MJE Capital Injection"). The balance owing to MJE's bank of an estimated sum of RM 32.5 million (after the repayment of the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs) will be repaid by MJE using the proceeds from the MJE Capital Injection. Any excess from the MJE Capital Injection after settling with MJE's Bank will be deployed at the absolute discretion of EM given that MJE will become wholly owned by EM then. For the avoidance of doubt, neither CEH, the Company nor the Group will be subscribing for any shareholdings in MJE.

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

The waiver of CEH's rights to the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs are collectively referred to as the ("Group's Co-Funding"). The total amount of the Group's Co-Funding is RM 19.5 million, and it represents the total amount of financial assistance CEH is providing to MJE in its settlement with MJE's Bank. Given that the Advance of RM 4 million will be applied as repayment to MJE's Bank, the remaining amount to be accounted for by the Company is RM 15.5 million (equivalent to S\$4.77 million).

As announced in the Company's announcement dated 31 March 2023 in relation to a proposed rights issue ("Proposed Rights Issue"), the maximum amount of proceeds to be raised in the Proposed Rights Issue is S\$6.1 million. The Company will apply the proceeds from the Proposed Rights Issue to fund the CEH's Share of the Settlement Sum and CEH's Share of the Costs, which amounts to RM 15.5 million (equivalent to S\$4.77 million) as explained above. In the event that the proceeds raised from the Proposed Rights Issue only amounts to S\$3.3 million in the Minimum Subscription Scenario, the Company will finance the shortfall payment of S\$1.47 million with its positive cash flow from operations and unutilised borrowings currently available to the Group.

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

Notwithstanding the above, in the opinion of the directors, the Group and the Company are able to continue as a going concern as the directors are of the view that the Group will continue to receive financial support from the banks and generate positive cash flows from its operations in the next twelve months. Furthermore, the Company is positive that the SPA and SSA will be completed which will result in the settlement of all outstanding amount owing to MJE's Bank and release of corporate guarantee 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 or complete the settlement with MJE's bank, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group and Company's balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the financial statements.

4. Seasonal operations

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

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 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000
Revenue from external parties	5,195	5,379	5,132	4,567	10,327	9,946
Other income	46	280	0	1	46	281
Total revenue and other income	5,241	5,659	5,132	4,568	10,373	10,227
Impairment of financial asset	(45)	(34)	(1,239)	(61)	(1,284)	(95)
Depreciation of property, plant and equipment	(108)	(101)	(318)	(400)	(426)	(501)
Impairment of property, plant and equipment	–	–	–	(10,762)	–	(10,762)
Finance costs	(12)	(56)	(175)	(172)	(187)	(228)
Segment profit/(loss)	1,009	562	(2,974)	(12,134)	(1,965)	(11,572)
Unallocated expenses					(187)	(228)
Loss before taxation					(2,152)	(11,800)
Income tax expense					(87)	922
Loss for the period					(2,239)	(10,878)

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments (cont'd)

	Fire Protection Solutions		Energy Services		Total	
	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000
Revenue from external parties	21,138	20,134	20,181	16,579	41,319	36,713
Other income	227	732	29	69	256	801
Total revenue and other income	21,365	20,866	20,210	16,648	41,575	37,514
Impairment of financial asset	(41)	(28)	(537)	(80)	(578)	(108)
Depreciation of property, plant and equipment	(423)	(383)	(1,161)	(1,738)	(1,584)	(2,121)
Impairment of property, plant and equipment	–	–	–	(10,762)	–	(10,762)
Finance costs	(111)	(181)	(741)	(710)	(852)	(891)
Segment profit/(loss)	3,199	2,143	(3,855)	(12,687)	(656)	(10,544)
Unallocated expenses					(852)	(891)
Loss before taxation					(1,508)	(11,435)
Income tax expense					(602)	601
Loss for the year					(2,110)	(10,834)

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

	Fire Protection Solutions		Energy Services		Total	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	30,318	30,583	36,415	39,850	66,733	70,433
Inter-segment assets					(15,599)	(14,183)
Goodwill					175	175
Unallocated assets					121	62
Total assets per statement of financial position					51,430	56,487
Additions to property, plant and equipment	485	385	–	–	485	385
Additions to right-of-use assets	126	202	–	–	126	202
Expenditures for segment non-current assets	611	587	–	–	611	587
Segment liabilities	16,690	17,288	57,385	57,896	74,075	75,184
Inter-segment liabilities					(44,831)	(40,938)
Income tax payables					900	720
Deferred tax liabilities					120	120
Unallocated liabilities					547	564
Total liabilities per statement of financial position					30,811	35,650

5.2. Disaggregation of revenue

	The Group			
	3 months ended 31 Mar 2023 S\$'000	3 months ended 31 Mar 2022 S\$'000	Year ended 31 Mar 2023 S\$'000	Year ended 31 Mar 2022 S\$'000
Types of goods or services:				
- Sales of goods	4,352	4,827	18,106	17,786
- Sales of services	5,975	5,119	23,213	18,927
	10,327	9,946	41,319	36,713
Geographical information:				
- Singapore	4,789	4,952	19,247	18,509
- Cambodia	5,132	4,575	20,181	16,579
- Other countries	406	419	1,891	1,625
	10,327	9,946	41,319	36,713

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 31 March 2023 and 31 March 2022:

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 *	6,614	–	6,614				
Cash and short-term deposits	1,698	–	1,698				
	<u>8,312</u>	<u>161</u>	<u>8,473</u>				
Financial liabilities							
Trade and other payables ^	(9,166)	–	(9,166)				
Loans and borrowings	(15,131)	–	(15,131)	–	–	(15,131)	(15,131)
Lease and hire purchase liabilities	(1,655)	–	(1,655)	–	–	(1,655)	(1,655)
Amount due to non-controlling interests	(911)	–	(911)				
	<u>(26,863)</u>	<u>–</u>	<u>(26,863)</u>				

* Excludes advances to supplier and GST receivables

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

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 2022							
Financial assets							
Other investments	–	161	161	–	–	161	161
Assets held for sale	–	–*	–*	–	–	–*	–*
Trade and other receivables *	8,007	–	8,007				
Cash and short-term deposits	3,523	–	3,523				
	11,530	161	11,691				
Financial liabilities							
Trade and other payables ^	(8,666)	–	(8,666)				
Loans and borrowings	(20,955)	–	(20,955)	–	–	(20,955)	(20,955)
Lease and hire purchase liabilities	(1,857)	–	(1,857)	–	–	(1,857)	(1,857)
Amount due to non-controlling interests	(1,485)	–	(1,485)				
	(32,963)	–	(32,963)				

* Excludes advances to supplier and GST receivables

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

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
31 March 2023							
Financial assets							
Cash and short-term deposits	72	–	72				
Financial liabilities							
Other payables and accruals *	(525)	–	(525)				
31 March 2022							
Financial assets							
Cash and short-term deposits	37	–	37				
Financial liabilities							
Other payables and accruals *	(530)	–	(530)				

* Excludes GST payables

Asiatic Group (Holdings) Limited and its Subsidiaries

7. Loss before taxation

7.1 Significant items

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

	The Group			
	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Impairment of financial assets	1,284	95	578	108
Contributions to defined contribution plans	103	107	380	388
Insurance	32	48	157	211
Inventories recognised as an expense in cost of sales	2,576	3,178	10,213	11,125
Impairment of property, plant and equipment	–	10,762	–	10,762
Legal fees	8	674	268	986
Travelling and transportation	41	25	116	97
Audit fees	33	18	125	101

7.2 Related party transactions

	The Group			
	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Sale and purchase of goods and services</u>				
Purchase of goods from a firm related to a director	29	38	162	186
Sale of goods to a firm related to a director	5	32	142	90
<u>Directors' and executive officers' remuneration</u> *				
Directors' remuneration	207	168	685	674
Executive officers' remuneration	131	106	480	439

* Included in the above remuneration for the Group is payment for defined contribution plans of S\$19,000 and S\$52,000 for the 3 months and financial year ended 31 March 2023 respectively (3 months and financial year ended 31 March 2022: S\$12,000 and S\$39,000 respectively)

8. Taxation

The Group calculates the year 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 31 Mar 2023	3 months ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	87	359	602	598
Deferred income tax expense relating to origination and reversal of temporary differences	-	(1,281)	-	(1,199)
	87	(922)	602	(601)

9. Net asset value

	The Group		The Company	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Net asset value per ordinary share based on total number of issued shares as at the end of the financial year (Singapore cents)	1.0	1.0	0.9	0.9

The net asset value per ordinary share as at 31 March 2023 is calculated based on 1,741,647,873 (31 March 2022: 1,556,462,688) ordinary shares in issue (excluding treasury shares).

10. Goodwill

	The Group	
	31 Mar 2023	31 Mar 2022
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 financial year ended 31 March 2023, the Group acquired assets amounting to S\$485,000 (31 March 2022: S\$385,000). There was disposal of assets amounting to S\$3,000 (31 March 2022: S\$1,635,000) during the financial year ended 31 March 2023.

12. Loans and borrowings

	The Group	
	31 Mar 2023	31 Mar 2022
<hr/>		
<u>Amount repayable within one year or on demand</u>		
Secured	8,759	10,657
Unsecured	2,398	4,513
 <u>Amount repayable after one year</u>		
Unsecured	3,974	5,785
 Total loans and borrowings	15,131	20,955

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\$541,000 as at 31 March 2023 (31 March 2022: S\$623,000).

The Group's factory building with a carrying value of S\$2,936,000 as at 31 March 2023 (31 March 2022: S\$3,031,000) is subject to a first charge to secure the bank loans and borrowings.

The Group's fixed deposits amounting to S\$332,000 as at 31 March 2023 (31 March 2022: S\$668,000) are pledged to secure banking facilities which were granted to certain subsidiaries.

13. Share capital

	The Group and the Company			
	31 Mar 2023		31 Mar 2022	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At 1 April	1,556,463	50,585	1,556,463	50,585
Shares issued	185,185	500	–	–
Share issue expenses	–	(38)	–	–
At 31 March	1,741,648	51,047	1,556,463	50,585

The total number of issued shares excluding treasury shares as at 31 March 2023 was 1,741,647,873 (31 March 2022: 1,556,462,688).

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

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2023 and 31 March 2022.

The Company did not have any outstanding options or convertibles as at 31 March 2023 and 31 March 2022.

14. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US\$1.0 million (31 March 2022: US\$2.2 million) and S\$29.4 million (31 March 2022: S\$28.8 million) have been provided by the Company to financial institutions to secure banking facilities granted to its subsidiaries. The Company had also provided a corporate guarantee of RM198.0 million (31 March 2022: RM195.5 million) to MJE's bank to secure banking facilities granted to MJE (Note 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 expected credit losses ("ECL") amount to the bank deposit of RM4.0 million (approximated to S\$1.2 million), that formed part of the Group's Co-Funding of RM19.5 million under the SPA provided by CEH to MJE's bank that was applied as repayment to MJE's bank. As the Company is unable to ascertain the certainty of the completion of SPA at this juncture, any additional ECL remained unquantifiable. As at 31 March 2023, the previously disclosed Audit Issue in relation to inability by Management to quantify the ECL on financial guarantees extended to MJE's bank on behalf of its associate has been adequately disclosed.

14. Commitments and contingencies (cont'd)

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

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

We refer to the Company's announcements released on 17 February 2022, 14 November 2022, 23 November 2022 and 5 January 2023. As at 31 March 2023, Tela has yet to enforce their request for the repayment of outstanding amount due to them. Notwithstanding that, the Company will try to negotiate with Tela to see how it can work out a payment plan for the difference of US\$1,026,565.71 after offsetting the US\$1,047,964.93, being the amount receivable from EDC to Tela as this was part of Colben Cambodia's payment to Tela.

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

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

On 21 February 2023, the Group was notified by the joint venture partner of Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ"), a 49% indirect subsidiary of the Company, held by Colben Energy Holdings (PPSEZ) Limited, a 95% indirect subsidiary of the Company, to call for a shareholders' meeting to be held on 14 March 2023 at 9 a.m. to vote on the following (amongst other matters):

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

(collectively, the "Request Agendas")

14. Commitments and contingencies (cont'd)

Legal claims (cont'd)

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

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

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

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

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

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

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

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

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

14. Commitments and contingencies (cont'd)

Legal claims (cont'd)

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

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

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

15. Subsequent events

On 8 May 2023, CEH and EM have entered into a share purchase agreement ("SPA") where CEH will transfer all of its 30% shareholdings in MJE to EM for a nominal consideration of RM 10.00. Under the SPA, CEH has also agreed to pay MJE's bank the CEH's Share of the Settlement Sum and the CEH's Share of the Costs. Concurrently, MJE will enter into a share subscription agreement ("SSA") with EM at a later date where EM will subscribe to a total of RM 65 million of new shares (ordinary and redeemable preference) in MJE ("MJE Capital Injection"). The balance owing to MJE's bank of an estimated sum of RM 32.5 million (after the repayment of the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs) will be repaid by MJE using the proceeds from the MJE Capital Injection.

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 31 March 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 and financial year 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 2022 ("FY2022"), 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 inability by Management to quantify the expected credit losses (ECL) on financial guarantees extended to MJE's bank on behalf of its associate and (ii) a breach of financial covenant on its overdraft facilities in one of its subsidiaries (collectively, the "Audit Issues").

Details relating to 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 Listing Rule Appendix 7C".

The Board confirms that the impact of the Audit Issues on the financial statements in relation to FY2022 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

(Singapore Cents)	The Group			
	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2022
(a) Based on weighted average number of ordinary shares in issue	(0.12)	(0.53)	(0.13)	(0.53)
(b) On a fully diluted basis	(0.12)	(0.53)	(0.13)	(0.53)

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 Company of S\$2,116,000 and S\$2,207,000 for the 3 months and financial year ended 31 March 2023 respectively (loss for the 3 months and financial year ended 31 March 2022: S\$8,258,000 and S\$8,198,000 respectively), divided by the weighted average number of ordinary shares in issue of 1,712,728,543 as at 31 March 2023 (31 March 2022: 1,556,462,688).

Asiatic Group (Holdings) Limited and its Subsidiaries

The basic and diluted loss per ordinary share are approximately the same for 3 months and financial year ended 31 March 2023 and 31 March 2022 as the effect of the dilutive ordinary securities as at 31 March 2023 is not significant. There is no potentially dilutive ordinary securities as at 31 March 2022.

4. Review of performance of the Group

Revenue

	Year ended 31 March 2023		Year ended 31 March 2022		Increase/ (Decrease)
	S\$'000	% of total revenue	S\$'000	% of total revenue	%
By business divisions					
- Fire Protection Solutions	21,138	51.2%	20,134	54.8%	5.0%
- Energy Services	20,181	48.8%	16,579	45.2%	21.7%
Total revenue	41,319	100.0%	36,713	100.0%	12.6%

The Group's revenue for financial year ended 31 March 2023 increased by 12.6% from the financial year ended 31 March 2022. The increase is mainly attributed to the recovery in the electricity demand by tenants in the Special Economic Zone power plant as compared to the financial year ended 31 March 2022, which suffered from the Covid-19 lockdown measures implemented in Cambodia during the period.

In addition, the Fire Protection Solutions also saw an increase in revenue from the marine sector as a result of the recovery of the marine industry.

Profitability

Decrease in other income was mainly due to the decrease in government grants received during the financial year ended 31 March 2023.

Cost of sales increased in line with the increase in revenue in the Fire Protection Solutions and Energy Services during the financial year ended 31 March 2023. The Fire Protection Solutions continued to see an improvement in gross margin through the extensive gross margin review exercise carried out to maximise competitiveness and profitability.

Appreciation in SGD against MYR resulted in a foreign exchange loss recognised on receivables from subsidiaries that were denominated in MYR during the financial year ended 31 March 2023.

To further boost its market competitiveness in the Fire Protection Solutions, the Group increased the headcount in tandem with the creation of the new technical department from July 2022 to support further expansion plans to boost its revenue in the marine and industrial sectors. This resulted in an increase in staff costs during the financial year ended 31 March 2023.

During the financial year ended 31 March 2023, the Group recorded a lower depreciation of property, plant and equipment after recognition of the impairment of S\$10.8 million recorded on the Special Economic Zone power plant in the year ended 31 March 2022.

As part of the Group's co-funding to the Settlement Sum with MJE's bank, the waiver of the rights to pre-paid advance to MJE of RM 4 million that was previously deposited in the bank account of MJE in August 2022 to facilitate the negotiation with MJE's Bank has resulted in an impairment on financial asset of S\$1.2 million. The impairment is partially offset by write back in the impairment previously recorded on the receivable from MJE following the repayment received from the Group from MJE received during the financial year.

Increase in other operating expenses was mainly resulted from accrual of interest payable to a supplier in Cambodia of S\$1.2 million and escalation of fuel electricity prices, testing fee from higher production volume of fire extinguishers and consultancy fees recorded for the Fire Protection Solutions. The increase is partially offset by the lower legal costs and loss of disposal of property, plant and equipment recorded in the financial year ended 31 March 2023. In the financial year ended 31 March 2022, the Group recorded a one-off loss on disposal of property, plant and equipment amounting to S\$0.4 million from the disposal of plant, equipment and machinery and other related assets in the Phnom Penh and Sihanoukville power plants and legal costs of S\$0.7 million associated with the final award from the Arbitration with PPSEZ.

Due to a combination of the above factors, the Group recorded a loss after tax of S\$2.1 million during the financial year ended 31 March 2023 as compared to a loss after tax of S\$10.8 million for the corresponding financial year ended 31 March 2022.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$1.4 million (year ended 31 March 2022: foreign currency translation gain of S\$0.4 million). Higher translation gain was mainly due to the depreciation of MYR against SGD on Colben Energy Holdings (Maju Intan) Ltd with MYR as its functional currency.

Balance Sheet

As at 31 March 2023, non-current assets decreased mainly due to the depreciation of property, plant and equipment (S\$1.6 million) and depreciation of right-of-use assets (S\$0.3 million). The decrease is partially offset mainly by the purchase of new equipment to support the operations in the Fire Protection Solutions.

During the period, the Group had reduced its inventories to maintain it at an optimal level that is adequate to meet the demand required to fulfil projects in the Fire Protection Solutions. Trade receivables saw a decrease mainly contributed by the continued effort to improve the turnover days on the trade receivables in the Fire Protection Solutions.

Increase in trade payables was mainly due to increase in purchases in both the Fire Protection Solutions and Energy Services which was resulted from the increase in sales in the Fire Protection Solutions and recovery of electricity demand respectively during the financial year. Decrease in current loans and borrowings was a result of repayment of bank overdraft, trust receipts, short-term borrowings and interest bearing term loans during the financial year.

Non-current liabilities decreased mainly due to the reclassification of non-current portion of term loan to current. In addition, there is a decrease in amount due to non-controlling interests resulted from repayment amounting to S\$0.6 million during the financial year.

Asiatic Group (Holdings) Limited and its Subsidiaries

As at 31 March 2023, the Group had a net current liabilities position of S\$11.0 million arising from previous utilisation of short-term financing to support the Group's Energy Services. The net current liabilities position had deteriorated during the financial year mainly due to the impairment of pre-paid advance of S\$1.2 million (RM 4 million) to MJE's bank and accrual of interest payable of S\$1.2 million to a supplier in Cambodia during the financial year. 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 stated in 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 31 March 2023, the Group has successfully rolled over approximately S\$10.8 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 May 2023, and is confident that the Group will generate positive cash flows from its operations for the next 12 months, supported by its continued stable performance of the Group's Fire Protection Solutions;
- (c) Asiatic had obtained a notification from the Receivers that MJE's bank has on 27 March 2023 given their acceptance to the Receivers on the settlement proposal of RM52,500,000 proposed by the Receivers (Note 3). CEH and EM have entered into a SPA and will be entered into a SSA to facilitate the disposal of the investment in MJE and full repayment of the proposed settlement amount. The Board is of the view that with the proceeds from the Proposed Rights Issue and its positive cash flow from operations and 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 settlement proposal with MJE's bank to discharge the Group and Company of its corporate guarantee (Note 14) provided to the MJE's bank; and
- (d) The outstanding overdraft exposure of the overdraft facilities in one of its subsidiaries after taking into account the security placed with the bank in the form of a personal fixed deposit of a director had been fully paid down as at the date of this announcement and the Company has received a confirmation letter from the bank dated 11 October 2022 that the covenant was no longer applicable and the previously disclosed Audit Issue in relation to the breach of financial covenant has been resolved.

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 financial year ended 31 March 2023, net cash generated from operating activities amounted to S\$6.1 million after taking into account the working capital and payment of interest and tax. Net cash inflow from operating activities was mainly contributed by an improvement in revenue resulted from the recovery in the electricity demand by tenants in the Special Economic Zone power plant and increase in sales in the Fire Protection Solutions. In addition, repayment of amount due from associate also contributed to the increase in net cash generated from operating activities.

Net cash flow used in investing activities was due to purchase of property, plant and equipment to support the operations in the Fire Protection Solutions which is partially offset by the receipt of the outstanding receivables arising from the proceeds from the sale of the property, plant and equipment at the Phnom Penh and Sihanoukville power plants.

The Group recorded a net cash outflow from its financing activities arising from (i) placement of non-refundable deposit to associate's receiver, (ii) repayment of trust receipt and short term borrowings, (iii) repayment of interest bearing term loans, (iv) repayment of lease and hire purchase liabilities, (v) repayment of amount due to non-controlling interests, and (vi) repayment to related parties. This is partially offset by decrease in pledged fixed deposits and net proceeds from issuance of shares during the financial year. As a result, overall cash balance decreased by S\$0.5 million during the financial year.

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 13 February 2023 in relation to its nine months financial results for the financial period ended 31 December 2022, it was disclosed that the gross margin in the Fire Protection Solutions is expected to decrease as a result of global rising cost caused by global supply chain crisis, spill over effects of the Russia's invasion on Ukraine and high global inflation rate and slow recovery of electricity demand in the Special Economic Zone expected. During the financial year, the Fire Protection Solutions had managed to minimise the effect on its gross margin through its extensive gross margin review exercise. On the other hand, the revenue from the Special Economic Zone saw a slow recovery which is in line with the forecast.

Pursuant to the Company's profit warning announcement dated 15 May 2023, there is no variation between the latter's guidance and the actual results presented in this announcement.

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

Following the acceptance of the settlement proposal by MJE's bank, CEH have entered into a share purchase agreement ("SPA") with EM where CEH will transfer all of its 30% shareholdings in MJE to EM for a nominal consideration of RM 10.00. Under the SPA, CEH has also agreed to pay MJE's bank the CEH's Share of the Settlement Sum and the CEH's Share of the Costs. Concurrently, MJE will enter into a share subscription agreement ("SSA") with EM at a later date where EM will subscribe to a total of RM 65 million of new shares (ordinary and redeemable preference) in MJE ("MJE Capital Injection"). The balance owing to MJE's bank of an estimated sum of RM 32.5 million (after the repayment of the Advance, CEH's Share of the Settlement Sum and CEH's Share of the Costs) will be repaid by MJE using the proceeds from the MJE Capital Injection. As at the date of this announcement, the process to complete the SPA, SSA and fully settlement with MJE's bank is still ongoing. Subsequent to the completion, the Group and Company will be discharged of its corporate guarantee (Note 14) provided to the MJE's bank.

Despite some improvement in the Fire Protection Solutions, the Group continues to face challenges due to the global rising cost and continuing inflationary pressures. Nevertheless, the Group will continue to proactively manage and mitigate the impact of rising costs. The Group will continue to monitor its cash flow and where needed, implement strategies to minimise the impact to the Group business resultant from these challenges.

As part of the expansion of the Group's Fire Protection Solutions, the Group is currently in the preliminary stages of participating in a new project to develop an intelligence system (Fire Intelligence and Smart Control System). This intelligence system would incorporate the Group's existing Fire Protection Solutions as part of the smart control of mechanical and electrical systems in buildings, which in turn would potentially achieve overall energy savings by its users. The Group is working towards securing potential contracts with this intelligence system and will keep shareholders updated as and when there are material developments.

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 year 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 during the financial year.

10. 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 Catalist Rules.

11. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

For the financial year ended 31 March 2023:

	Fire Protection Solutions \$'000	Energy Services \$'000	Total \$'000
Revenue	21,138	20,181	41,319
	=====	=====	=====
Other income	227	29	256
Interest income	–	21	21
Impairment of financial asset	(41)	(537)	(578)
Depreciation of property, plant and equipment	(423)	(1,161)	(1,584)
Finance costs	(111)	(741)	(852)
Segment profit/(loss)	2,572	(4,080)	(1,508)
	=====	=====	=====

Asiatic Group (Holdings) Limited and its Subsidiaries

For the financial year ended 31 March 2022:

	Fire Protection Solutions \$'000	Energy Services \$'000	Total \$'000
Revenue	20,134	16,579	36,713
	=====	=====	=====
Other income	732	69	801
Interest income	–	37	37
Impairment of financial asset	(28)	(80)	(108)
Depreciation of property, plant and equipment	(383)	(1,738)	(2,121)
Finance costs	(181)	(710)	(891)
Segment profit/(loss)	1,962	(13,397)	(11,435)
	=====	=====	=====

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 4 above.

13. A breakdown of sales as follows:

	Latest Financial Year \$'000	Previous Financial Year \$'000	% increase/ (decrease)
(a) Sales reported for first half year	20,747	17,795	(16.6)
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	807	(968)	N.M.
(c) Sales reported for second half year	20,572	18,918	8.7
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(2,917)	(9,866)	(73.9)

N.M.: Not meaningful.

14. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -

	FY2022	FY2023
(a) Ordinary	N.A.	N.A.
(b) Preference	N.A.	N.A.
(c) Total	N.A.	N.A.

N.A.: Not Applicable.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Ah Soi	72	Uncle of Executive Directors, Tan Boon Kheng and Tan Boon Siang	Factory Supervisor of Asiatic Fire System Pte Ltd. Main duties include managing the Servicing / Refilling Plant. Year position was first held: 2018	No changes in duties and position held during the year
Tan Boon Yew	64	Brother of Executive Directors, Tan Boon Kheng and Tan Boon Siang	Director of Asiatic Fire System Pte Ltd. Main duties include managing the marine-base division. Year position was first held: 1981	No changes in duties and position held during the year
Lee Yoke Chun	59	Spouse of Tan Boon Keng	Administration and Human Resources Manager of the Company Main duties include Recruitment & Formulating HR Policies Year position was first held: 1987	No changes in duties and position held during the year

16. Additional information required pursuant to Rule 706A

There were no acquisitions or realisation of any subsidiaries or associated companies.

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director
26 May 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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