

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 quarter and nine months ended 31 December 2022

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## Asiatic Group (Holdings) Limited and its Subsidiaries

### Condensed interim consolidated statement of profit or loss Period Ended 31 December 2022

	Note	The Group			The Group		
		3-month period ended	3-month period ended	Change %	9-month period ended	9-month period ended	Change %
		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	
<b>Revenue</b>							
Sale of goods	5.2	4,303	4,265	0.89	13,754	12,959	6.13
Sale of services	5.2	5,942	4,707	26.24	17,238	13,808	24.84
		<b>10,245</b>	<b>8,972</b>	<b>14.19</b>	<b>30,992</b>	<b>26,767</b>	<b>15.78</b>
Other income		43	172	-75.00	210	520	-59.62
<b>Costs and expenses</b>							
Cost of sales		(6,877)	(6,354)	8.23	(20,751)	(18,661)	11.20
Foreign exchange (loss)/gain		(1,144)	731	N.M.	(1,843)	187	N.M.
Staff costs		(1,716)	(1,488)	15.32	(4,854)	(4,345)	11.71
Depreciation of property, plant and equipment		(94)	(500)	-81.20	(1,158)	(1,620)	-28.52
Depreciation of right-of-use assets		(88)	(77)	14.29	(236)	(235)	0.43
Write back/(impairment) of financial assets		10	300	-96.67	706	(13)	N.M.
Other operating expenses		(716)	(494)	44.94	(1,757)	(1,572)	11.77
Finance costs		(209)	(236)	-11.44	(665)	(663)	0.30
<b>(Loss)/profit before tax</b>	7.1	<b>(546)</b>	1,026	N.M.	<b>644</b>	365	76.44
Income tax expense	8	(132)	(15)	N.M.	(515)	(321)	60.44
<b>(Loss)/profit for the period</b>		<b>(678)</b>	1,011	N.M.	<b>129</b>	44	193.18
<b>Attributable to:</b>							
Equity holder of the Company		(847)	1,000	N.M.	(91)	60	N.M.
Non controlling interest		169	11	N.M.	220	(16)	N.M.
		<b>(678)</b>	1,011	N.M.	<b>129</b>	44	193.18

N.M. : Not meaningful

**Condensed interim consolidated statement of other comprehensive income  
Period Ended 31 December 2022**

	The Group			The Group			
		3-month period ended	3-month period ended	Change	9-month period ended	9-month period ended	Change
	Note	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	%	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	%
<b>(Loss)/profit for the period</b>		<b>(678)</b>	1,011	N.M.	<b>129</b>	44	193.18
<b>Other comprehensive income</b>							
<u>Items that may be reclassified subsequently to profit or loss:</u>							
Foreign currency translation		<b>(795)</b>	(1,035)	N.M.	<b>1,554</b>	(40)	N.M.
<b>Other comprehensive income for the period, net of tax</b>		<b>(795)</b>	(1,035)	N.M.	<b>1,554</b>	(40)	N.M.
<b>Total comprehensive income for the period</b>		<b>(1,473)</b>	(24)	N.M.	<b>1,683</b>	4	N.M.
<b>Attributable to:</b>							
Equity holder of the Company		<b>(1,793)</b>	(32)	N.M.	<b>1,447</b>	19	N.M.
Non controlling interest		<b>320</b>	8	N.M.	<b>236</b>	(15)	N.M.
		<b>(1,473)</b>	(24)	107.76	<b>1,683</b>	4	N.M.
		<b>Cents</b>	Cents		<b>Cents</b>	Cents	
<b>(Loss)/profit per share (cent per share)</b>							
Basic and diluted		<b>(0.04)</b>	0.06		<b>0.01</b>	0.00	

N.M. : Not meaningful

**Condensed interim statements of financial position  
As at 31 December 2022**

	Note	The Group		The Company	
		31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	11	36,419	37,496	4	4
Investments in subsidiaries		–	–	24,053	23,787
Right-of-use assets		2,108	2,069	–	–
Goodwill	10	175	175	–	–
Other investments		161	161	–	–
		<b>38,863</b>	<b>39,901</b>	<b>24,057</b>	<b>23,791</b>
<b>Current</b>					
Assets held for sale		– *	– *	–	–
Inventories		3,803	4,073	–	–
Trade receivables		6,914	7,280	–	–
Other receivables		2,121	1,379	–	–
Prepayments		362	331	17	21
Cash and short-term deposits		986	3,523	100	37
		<b>14,186</b>	<b>16,586</b>	<b>117</b>	<b>58</b>
<b>Total assets</b>		<b>53,049</b>	<b>56,487</b>	<b>24,174</b>	<b>23,849</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	13	50,585	50,585	50,585	50,585
Revenue reserve		(33,817)	(33,726)	(36,572)	(36,657)
Foreign currency translation reserve		1,066	(472)	–	–
		<b>17,834</b>	<b>16,387</b>	<b>14,013</b>	<b>13,928</b>
Non-controlling interests		4,686	4,450	–	–
<b>Total equity</b>		<b>22,520</b>	<b>20,837</b>	<b>14,013</b>	<b>13,928</b>
<b>Liabilities</b>					
<b>Non-Current</b>					
Loans and borrowings	12	4,302	5,785	–	–
Amount due to non-controlling interests		1,066	1,485	–	–
Lease and hire purchase liabilities		1,483	1,570	–	–
Deferred tax liabilities		120	120	–	–
		<b>6,971</b>	<b>8,960</b>	<b>–</b>	<b>–</b>

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

**Condensed interim statements of financial position (cont'd)**  
**As at 31 December 2022**

	Note	The Group		The Company	
		31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current</b>					
Trade payables		6,181	5,643	–	–
Other payables and accruals		4,316	4,870	917	565
Amounts due to subsidiaries		–	–	9,244	9,356
Loans and borrowings	12	11,812	15,170	–	–
Lease and hire purchase liabilities		366	287	–	–
Provision for taxation		883	720	–	–
		<b>23,558</b>	26,690	<b>10,161</b>	9,921
<b>Total liabilities</b>		<b>30,529</b>	35,650	<b>10,161</b>	9,921
<b>Total equity and liabilities</b>		<b>53,049</b>	56,487	<b>24,174</b>	23,849

**Condensed interim statements of changes in equity**  
**Period ended 31 December 2022**

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
<b>At 1 April 2021</b>	50,585	(25,528)	(924)	24,133	7,162	31,295
Profit for the year	–	60	–	60	(16)	44
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	(41)	(41)	1	(40)
Total comprehensive income for the year	–	60	(41)	19	(15)	4
<b>As at 31 December 2021</b>	<b>50,585</b>	<b>(25,468)</b>	<b>(965)</b>	<b>24,152</b>	<b>7,147</b>	<b>31,299</b>
<b>At 1 April 2022</b>	<b>50,585</b>	<b>(33,726)</b>	<b>(472)</b>	<b>16,387</b>	<b>4,450</b>	<b>20,837</b>
Profit for the year	–	(91)	–	(91)	220	129
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	1,538	1,538	16	1,554
Total comprehensive income for the year	–	(91)	1,538	1,447	236	1,683
<b>As at 31 December 2022</b>	<b>50,585</b>	<b>(33,817)</b>	<b>1,066</b>	<b>17,834</b>	<b>4,686</b>	<b>22,520</b>
<b>Company</b>				<b>Share capital (Note 13)</b>	<b>Revenue reserve</b>	<b>Total</b>
				<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 1 April 2021</b>				50,585	(28,232)	22,353
Profit for the period, representing total comprehensive income for the period				–	101	101
<b>As at 31 December 2021</b>				<b>50,585</b>	<b>(28,131)</b>	<b>22,454</b>
<b>At 1 April 2022</b>				50,585	(36,657)	13,928
Profit for the period, representing total comprehensive income for the period				–	85	85
<b>As at 31 December 2022</b>				<b>50,585</b>	<b>(36,572)</b>	<b>14,013</b>

**Condensed interim consolidated statement of cash flows**  
**Period ended 31 December 2022**

	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000
<b>Operating activities</b>				
(Loss)/profit before tax	(546)	1,027	644	365
Depreciation of property, plant and equipment	94	500	1,158	1,620
Depreciation of right-of-use assets	88	77	236	235
Interest expense	209	236	665	663
(Write back)/ impairment of financial assets	(10)	(300)	(706)	13
Loss/(gain) on disposal of property, plant and equipment	-	-	1	(1)
Interest income	(21)	(6)	(21)	(20)
Provision for stock obsolescence, net	-	-	1	1
Currency alignment	1,013	(724)	1,860	(80)
<b>Operating cash flows before changes in working capital</b>	<b>827</b>	<b>810</b>	<b>3,838</b>	<b>2,796</b>
<u>Changes in working capital</u>				
Decrease/(increase) in inventories	132	(174)	269	(806)
Decrease in trade and other receivables	1,121	1,181	479	799
Decrease/(increase) in amount due from associates	9	300	701	(19)
Decrease in provision for demobilisation cost	-	(18)	-	(139)
Decrease in provision for restructuring cost	-	(51)	-	(184)
(Decrease)/increase in trade and other payables	(1,007)	(185)	215	(997)
<b>Cash flows generated from operations</b>	<b>1,082</b>	<b>1,863</b>	<b>5,502</b>	<b>1,450</b>
Interest received	21	6	21	20
Interest paid	(183)	(236)	(590)	(663)
Income tax paid	(149)	(104)	(350)	(309)
<b>Net cash flows generated from operating activities</b>	<b>771</b>	<b>1,529</b>	<b>4,583</b>	<b>498</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(43)	(67)	(368)	(369)
Purchase of right-of-use assets	-	-	-	(55)
Proceeds from sale of property, plant and equipment	-	-	303	6
<b>Net cash flows used in investing activities</b>	<b>(43)</b>	<b>(67)</b>	<b>(65)</b>	<b>(418)</b>



**Condensed interim consolidated statement of cash flows (cont'd)**  
**Period ended 31 December 2022**

	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000
<b>Financing activities</b>				
Placement of refundable deposit to associate's receiver	–	–	(1,252)	–
(Repayment of)/proceeds from trust receipts and short-term borrowings	(104)	(533)	(579)	372
(Repayment of)/proceeds from interest bearing term loans	(517)	2,892	(3,367)	2,686
Repayment of principal portion of lease and hire purchase liabilities	(130)	(98)	(359)	(317)
Decrease in pledged fixed deposits	75	–	327	–
Repayment of amount due to non-controlling interests	(137)	(101)	(418)	(323)
(Repayment to)/advances from related parties	(26)	26	(163)	6
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(839)</b>	<b>2,186</b>	<b>(5,811)</b>	<b>2,424</b>
Net (decrease)/increase in cash and cash equivalents	(111)	3,648	(1,293)	2,504
Effect of exchange rate changes on cash and cash equivalents	33	8	(18)	(7)
Cash and cash equivalents at beginning of period	303	(2,213)	1,536	(1,054)
<b>Cash and cash equivalents at 31 Dec</b>	<b>225</b>	<b>1,443</b>	<b>225</b>	<b>1,443</b>
<b>Cash and cash equivalents consist of the following :</b>				
Cash and short-term deposits	986	3,451	986	3,451
Add: Bank overdraft	(426)	(1,320)	(426)	(1,320)
Less: Pledged short-term deposits	(335)	(688)	(335)	(688)
	<b>225</b>	<b>1,443</b>	<b>225</b>	<b>1,443</b>

## 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 quarter and nine months ended 31 December 2022 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 quarter and nine months ended 31 December 2022 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,

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 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 9-month period ended 31 December 2022, the Group earned a net profit after tax of S\$129,000 (31 December 2021: net profit after tax of S\$44,000). As at that date, the Group's current liabilities (which includes loan and borrowings of S\$11,812,000) exceeded the Group's current assets by S\$9,372,000 (31 March 2022: S\$10,104,000) and the Company's current liabilities exceeded the Company's current assets by S\$10,044,000 (31 March 2022: S\$9,863,000).

As disclosed in Note 14, the corporate guarantees provided by the Group and Company include a guarantee of up to RM195.5 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 December 2022, 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 to the convertible bond issued by MJE at a nominal sum of RM1. As part of the transaction, Hualang 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 was 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 were 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 RM300,000 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 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 on 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 had been instructed to proceed with legal proceedings against MJE, and/or other security parties; and/or take any action as their client thinks fit.

Lecca, 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 full and final settlement of the amount owing by MJE. On 13 July 2022, MJE's bank rejected Lecca's counter proposal and instead appointed Dato' Adam Primus Varghese bin Abdullah and Macpherson Anak Simon as Receivers and Managers (the "Receivers") of all the assets and undertakings of MJE with effect from 14 July 2022. The Company received a copy of the notification letter of the appointment of the Receivers on 14 July 2022.

The Board of Directors has assessed the Repayment Amount and is of the view that they are not able to quantify the exact liabilities resulting from the Letter of Demand or the appointment of Receivers as at the date of this announcement as any potential repayment by the Group to the MJE's bank arising from its corporate guarantee obligations as demanded in Letter of Demand shall be the difference after taking into account and/or deducting any residual value from MJE (including the value of the land held by MJE and its assets), and guarantee from a governmental agency in Malaysia and guarantees provided by other individuals.

**3. Going concern assumption (cont'd)**

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, Asiatic and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE on 31 August 2022 to restructure the Repayment Amount and part of the terms of the restructuring scheme includes discharging of the corporate guarantees (Note 14) the Company had provided to MJE's bank. As at the date of this announcement, the Group had not received any update from MJE's bank on their decision on the revised debt settlement scheme submitted.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group and Company's balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the 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-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000
Revenue from external parties	5,042	4,837	5,204	4,135	10,245	8,972
Other income	15	134	28	38	43	172
Total revenue and other income	5,056	4,971	5,232	4,173	10,288	9,144
Reversal of impairment of financial asset	–	–	10	300	10	300
Depreciation of property, plant and equipment	(110)	(98)	16	(402)	(94)	(500)
Finance costs	(17)	(40)	(192)	(196)	(209)	(236)
Segment profit/(loss)	476	343	(813)	919	(337)	1,262
Unallocated expenses					(209)	(236)
<b>(Loss)/profit before taxation</b>					<b>(546)</b>	1,026
Income tax expense					(132)	(15)
<b>(Loss)/profit for the period</b>					<b>(678)</b>	1,011

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5.1 Reportable segments (cont'd)

	Fire Protection Solutions		Energy Services		Total	
	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000
Revenue from external parties	15,943	14,755	15,049	12,012	30,992	26,767
Other income	181	452	29	68	210	520
Total revenue and other income	16,124	15,207	15,078	12,080	31,202	27,287
Reversal of impairment/(impairment) of financial asset	4	6	702	(19)	706	(13)
Depreciation of property, plant and equipment	(315)	(282)	(843)	(1,338)	(1,158)	(1,620)
Finance costs	(99)	(125)	(566)	(538)	(665)	(663)
Segment profit/(loss)	2,190	1,581	(881)	(553)	1,309	1,028
Unallocated expenses					(665)	(663)
<b>Profit before taxation</b>					644	365
Income tax expense					(515)	(321)
<b>Profit for the period</b>					129	44

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

	Fire Protection Solutions		Energy Services		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	29,547	30,900	38,812	52,485	68,359	83,385
Inter-segment assets					(15,605)	(14,180)
Goodwill					175	175
Unallocated assets					120	61
<b>Total assets per statement of financial position</b>					<b>53,049</b>	<b>69,441</b>
Additions to property, plant and equipment	368	369	–	–	368	369
Additions to right-of-use assets	275	164	–	–	275	164
<b>Expenditures for segment non-current assets</b>	<b>643</b>	<b>533</b>	<b>–</b>	<b>–</b>	<b>643</b>	<b>533</b>
Segment liabilities	16,393	18,106	56,968	58,429	73,361	76,535
Inter-segment liabilities					(44,752)	(40,826)
Income tax payables					883	569
Deferred tax liabilities					120	1,404
Unallocated liabilities					917	460
<b>Total liabilities per statement of financial position</b>					<b>30,529</b>	<b>38,142</b>



5.2. Disaggregation of revenue

	<b>The Group</b>			
	<b>3-month period ended 31 Dec 2022 S\$'000</b>	<b>3-month period ended 31 Dec 2021 S\$'000</b>	<b>9-month period ended 31 Dec 2022 S\$'000</b>	<b>9-month period ended 31 Dec 2021 S\$'000</b>
Types of goods or services:				
- Sales of goods	<b>4,303</b>	4,265	<b>13,754</b>	12,959
- Sales of services	<b>5,942</b>	4,707	<b>17,238</b>	13,808
	<b>10,245</b>	8,972	<b>30,992</b>	26,767
Geographical information:				
- Singapore	<b>4,582</b>	4,464	<b>14,458</b>	13,557
- Cambodia	<b>5,203</b>	4,134	<b>15,048</b>	12,004
- Other countries	<b>460</b>	374	<b>1,486</b>	1,206
	<b>10,245</b>	8,972	<b>30,992</b>	26,767

## 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 December 2022 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
<b>31 December 2022</b>							
<b>Financial assets</b>							
Other investments	–	161	161	–	–	161	161
Assets held for sale	–	– *	– *	–	–	– *	– *
Trade and other receivables *	8,675	–	8,675				
Cash and short-term deposits	986	–	986				
	<b>9,661</b>	<b>161</b>	<b>9,822</b>				
<b>Financial liabilities</b>							
Trade and other payables ^	(8,723)	–	(8,723)				
Loans and borrowings	(16,114)	–	(16,114)	–	–	(16,114)	(16,114)
Lease and hire purchase liabilities	(1,849)	–	(1,849)	–	–	(1,849)	(1,849)
Amount due to non-controlling interests	(1,066)	–	(1,066)				
	<b>(27,752)</b>	<b>–</b>	<b>(27,752)</b>				

\* 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
<b>31 March 2022</b>							
<b>Financial assets</b>							
Other investments	–	161	161	–	–	161	161
Assets held for sale	–	– *	– *	–	–	– *	– *
Trade and other receivables *	7,995	–	7,995				
Cash and short-term deposits	3,523	–	3,523				
	<u>11,518</u>	<u>161</u>	<u>11,679</u>				
<b>Financial liabilities</b>							
Trade and other payables ^	(9,800)	–	(9,800)				
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)				
	<u>(34,097)</u>	<u>–</u>	<u>(34,097)</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)

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
<b>31 December 2022</b>							
<b>Financial assets</b>							
Cash and short-term deposits	100	–	100				
<b>Financial liabilities</b>							
Other payables and accruals *	(896)	–	(896)				
<b>31 March 2022</b>							
<b>Financial assets</b>							
Cash and short-term deposits	37	–	37				
<b>Financial liabilities</b>							
Other payables and accruals *	(542)	–	(542)				

\* Excludes GST payables

## Asiatic Group (Holdings) Limited and its Subsidiaries

### 7. (Loss)/profit before taxation

#### 7.1 Significant items

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

	The Group			
	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000
(Write back)/impairment of financial assets	(10)	(300)	(706)	13
Contributions to defined contribution plans	79	88	277	281
Insurance	32	40	125	163
Inventories recognised as an expense in cost of sales	2,356	2,454	7,637	7,947
Legal fees	241	123	260	312
Travelling and transportation	27	21	75	72
Audit fees	24	15	92	83

#### 7.2 Related party transactions

	The Group			
	3-month period ended 31 Dec 2022 S\$'000	3-month period ended 31 Dec 2021 S\$'000	9-month period ended 31 Dec 2022 S\$'000	9-month period ended 31 Dec 2021 S\$'000
<u>Sale and purchase of goods and services</u>				
Purchase of goods from a firm related to a director	97	85	133	148
Sale of goods to a firm related to a director	92	31	137	58
<u>Directors' and executive officers' remuneration</u> *				
Directors' remuneration	161	168	478	506
Executive officers' remuneration	126	120	349	333

\* Included in the above remuneration for the Group is payment for defined contribution plans of S\$14,000 and S\$33,000 for the 3-month period and 9-month period ended 31 December 2022 respectively (3-month period and 9-month period ended 31 December 2021: S\$10,000 and S\$27,000 respectively)

## 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:

	<b>The Group</b>			
	<b>3-month period ended 31 Dec 2022 S\$'000</b>	<b>3-month period ended 31 Dec 2021 S\$'000</b>	<b>9-month period ended 31 Dec 2022 S\$'000</b>	<b>9-month period ended 31 Dec 2021 S\$'000</b>
Current income tax expense	132	4	515	239
Deferred income tax expense relating to origination and reversal of temporary differences	-	11	-	82
	<b>132</b>	<b>15</b>	<b>515</b>	<b>321</b>

## 9. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2022</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>	<b>31 Mar 2022</b>
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore cents)	1.1	1.0	0.9	0.9

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

## 10. Goodwill

	<b>The Group</b>	
	<b>31 Dec 2022</b>	<b>31 Mar 2022</b>
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 nine months ended 31 December 2022, the Group acquired assets amounting to S\$368,000 (31 December 2021: S\$369,000). There was disposal of assets amounting to S\$1,000 (31 December 2021: S\$265,000) during the nine months ended 31 December 2022.

**12. Loans and borrowings**

	<b>The Group</b>	
	<b>31 Dec 2022</b>	<b>31 Mar 2022</b>
<u>Amount repayable within one year or on demand</u>		
Secured	<b>9,254</b>	10,657
Unsecured	<b>2,558</b>	4,513
<u>Amount repayable after one year</u>		
Unsecured	<b>4,302</b>	5,785
Total loans and borrowings	<b>16,114</b>	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\$567,000 as at 31 December 2022 (31 March 2022: S\$623,000).

The Group's factory building with a carrying value of S\$2,960,000 as at 31 December 2022 (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\$335,000 as at 31 December 2022 (31 March 2022: S\$668,000) are pledged to secure banking facilities which were granted to certain subsidiaries.

**13. Share capital**

	<b>The Group and the Company</b>			
	<b>31 Dec 2022</b>		<b>31 Mar 2022</b>	
	<b>No. of shares '000</b>	<b>S\$'000</b>	<b>No. of shares '000</b>	<b>S\$'000</b>
<b><u>Issued and fully paid ordinary shares</u></b>				
At 31 December and 31 March	1,556,463	50,585	1,556,463	50,585

The total number of issued shares excluding treasury shares as at 31 December 2022 was 1,556,462,688 (31 March 2022: 1,556,462,688). There were no changes in the issued share capital of the Company since the last period reported on.

The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 2021.

The Company did not have any outstanding options or convertibles as at 31 December 2022 and 31 December 2021.

**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 they are not able to quantify the exact liabilities resulting from the Letter of Demand or the appointment of Receivers as at the date of this announcement as any potential repayment by the Group to MJE's bank arising from its corporate guarantee obligations as demanded in Letter of Demand shall be the difference after taking into account and/or deducting any residual value from MJE (including the value of the land held by MJE and its assets), and guarantee from a governmental agency in Malaysia and guarantees provided by other individuals.



**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 December 2022, 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 December 2022, 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.

**15. Subsequent events**

Pursuant to the Restructuring Framework Agreement entered into with Lecca Group Pte. Ltd. (the "Investor") in connection with Maju Intan Biomass Energy Sdn. Bhd. ("MJE") referred to in the Group's announcement dated 18 January 2022, 14 March 2022, 9 May 2022, 10 May 2022, 13 July 2022 and 14 July 2022, the Investor paid a refundable deposit of S\$500,000 to the Company which was received on 11 May 2022.

The Investor, demonstrating confidence in the Group, and the Company have agreed that the Deposit shall be fully and finally settled by the issuance and allotment by the Company to the Investor or at the option of the Investor, its wholly-owned subsidiary, Lecca Capital Pte. Ltd. (the "Recipient") of 185,185,185 new ordinary shares ("Settlement Shares") at a mutually agreed issue price of S\$0.0027 per Settlement Share ("Issue Price") ("Settlement Share Issue") instead of refunding the Deposit the ("Settlement"). Accordingly, the Company entered into a deed of settlement with the Investor on 13 January 2023 (the "Settlement Deed") to document their mutual understanding in respect of the issuance of the Settlement Shares. Please refer to the Company's announcement dated 17 January 2023 for more details.

The Settlement was completed on 1 February 2023 and as at the date of this announcement, the Settlement Shares have been issued.

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 December 2022 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 and nine-months 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 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**

	The Group			
	3-month period ended 31 Dec 2022	3-month period ended 31 Dec 2021	9-month period ended 31 Dec 2022	9-month period ended 31 Dec 2021
(Singapore Cents)				
(a) Based on weighted average number of ordinary shares in issue	(0.04)	0.06	0.01	0.00
(b) On a fully diluted basis	(0.04)	0.06	0.01	0.00

The earnings/(loss) per ordinary share for the respective financial periods were calculated based on the Group's loss after taxation attributable to equity holders of the parent of S\$847,000 and S\$91,000 for the 3-month period and 9-month period ended 31 December 2022 respectively (Profit for the 3-month period and 9-month period ended 31 December 2021: S\$1,000,000 and S\$60,000 respectively), divided by the weighted average number of ordinary shares in issue of 1,556,462,688 as at 31 December 2022 (31 December 2021: 1,556,462,688).

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The basic and diluted earnings/(loss) per ordinary share are the same for 3-month period and 9-month period ended 31 December 2022 and 31 December 2021 because there were no potentially dilutive ordinary securities as at 31 December 2022 and 31 December 2021 respectively.

### 4. Review of performance of the Group

#### Revenue

	9-month period ended 31 Dec 2022		9-month period ended 31 Dec 2021		Increase/ (Decrease)
	S\$'000	% of total revenue	S\$'000	% of total revenue	
By segments					
- Fire Protection Solutions	15,943	51.4%	14,755	55.1%	8.1%
- Energy Services	15,049	48.6%	12,012	44.9%	25.3%
<b>Total revenue</b>	<b>30,992</b>	<b>100.0%</b>	<b>26,767</b>	<b>100.0%</b>	<b>15.8%</b>

The Group's revenue for 3-month and 9-month periods ended 31 December 2022 increased by 14.2% and 15.8% respectively from the corresponding period in 2021. 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 3-month and 9-month periods ended 31 December 2021, which suffered from the Covid-19 lockdown measures implemented in Cambodia during the period. Adding on, the Fire Protection Solutions division 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 3-month and 9-month periods ended 31 December 2022.

Cost of sales increased in line with the increase in revenue in the Fire Protection Solutions and Energy Services during the 3-month and 9-month periods ended 31 December 2022. During both periods, 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 3-month and the 9-month periods ended 31 December 2022.

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 3-month and 9-month periods ended 31 December 2022.

During both periods, 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.

In the 9-month period ended 31 December 2022, the Group received repayment from an associate for the funding previously provided and fully impaired. For the 3-month period, the repayment from the associate received was lower in comparison the correspondence period last year. The repayment has resulted in a write back in the impairment previously recorded.

The increase in other operating expenses during the 3-month and 9-month periods ended 31 December 2022 was mainly contributed by escalation of fuel and electricity prices, testing fee from higher production volume of fire extinguishers and consultancy fees recorded for the Fire Protection Solutions.

Due to a combination of the above factors, including the absence of approximately S\$0.3 million from the write back of financial assets in the 3-month period ended 31 December 2022, the Group recorded a loss after tax of S\$0.7 million but continued to remain profitable with a profit after tax of S\$0.13 million in the 3-month period and 9-month period ended 31 December 2022 respectively.

### **Movement in comprehensive income**

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$1.55 million (9-month period ended 31 December 2021: foreign currency translation loss of S\$0.04 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 December 2022, non-current assets decreased mainly due to the depreciation of property, plant and equipment (S\$1.2 million) and depreciation of right-of-use assets (S\$0.2 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. Other receivables saw an increase mainly due to the refundable deposit placed with the receiver of the Group's associate.

Increase in trade payables was mainly due to increase in purchases in the Energy Services which resulted from the recovery of electricity demand during the period. 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 period.

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 due to the repayment of S\$0.4 million during the period.

As at 31 December 2022, the Group had a net current liabilities position of S\$9.4 million arising from previous utilisation of short-term financing to support the Group's Energy Services. The net current liabilities position had improved during the period mainly due to the repayment of loans and borrowings during the period. 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:

## Asiatic Group (Holdings) Limited and its Subsidiaries

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- (a) The Board is of the view that the Group will continue to receive financial support from the banks. Subsequent to 31 December 2022, the Group has successfully rolled over approximately S\$11.5 million out of S\$11.8 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 February 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 and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE on 31 August 2022 to restructure the amount of RM122,176,395.90 and part of the terms of the restructuring scheme that includes discharging of the corporate guarantees (Note 14) the Company had provided to MJE's bank. As at the date of this announcement, negotiations are still ongoing; 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 9-month period ended 31 December 2022, net cash generated from operating activities amounted to S\$4.6 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 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 during the period. As a result, overall cash balance decreased by S\$1.3 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**

Not applicable.

**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**

On 31 August 2022, the Group and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE to restructure the Repayment Amount and part of the terms of the restructuring scheme includes discharging of the corporate guarantee provided by the Company to MJE's bank. As at the date of this announcement, the negotiation is still ongoing. Depending on the results of the negotiation, this may have an impact on the Group's balance sheet. The Company will keep shareholders apprised on the outcome of negotiation.

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 period as the Group is currently in a negative revenue reserve position.

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

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

**10. Utilisation of proceeds from new shares subscription**

The Company refers to the Settlement as announced on 17 January 2023 and completed on 1 February 2023. As the Settlement Shares were issued in settlement of the Deposit amounting to S\$500,000, no new proceeds were raised from the Settlement. The Company has applied the Deposit in the MJE Debt Restructuring being a refundable deposit to the lead Financier, Maybank Islamic Berhad, in connection with the MJE Debt Restructuring. Should the MJE Debt Restructuring proceed, the refundable deposit will be used as part of the debt settlement. Should the MJE Debt Restructuring not proceed, the refundable deposit will be refunded to the Company and utilised as working capital of the Company.

**11. Additional information required pursuant to Rule 706A**

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

**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 and nine-month period ended 31 December 2022 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

Singapore

**BY ORDER OF THE BOARD**

Tan Boon Kheng  
Managing Director

**13 February 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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