GENERATING WATT WE DO BEST

Asiatic Group

ASIATIC GROUP (HOLDINGS) LIMITED

ANNUAL REPORT 2016

CONTENTS

ABOUT ASIATIC GROUP

We are an engineering management specialist playing a pivotal role in the development of two key sectors:

- **ENERGY**
- **FIRE PROTECTION SOLUTIONS**

ENERGY

We provide Planning and Development services and participate as an Equity Investor in niche power plant projects in the region. We operate as an EPC (engineering, procurement and construction) and O&M (Operation and Maintenance) contractor.

FIRE PROTECTION SOLUTIONS

We provide total Fire Protection Solutions such as systems and product design, supply, installation and commissioning for the maintenance of fire protection equipment and systems.

We manufacture most of our fire extinguishers and assemble most of our fire fighting products such as hose reels, hydrants, alarm systems and emergency lighting, under our brand name KILLFIRE.

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

We are pleased to present to you a review of the Group's performance for the financial year ended 31 March 2016 ("FY2016"). During the year in review, the Group continued to position itself as a leading player in the renewable energy power generation industry. Amidst challenging global conditions, we focused on developing our operations to adapt to the dynamic regional business environment. The year was also significant with the opening of our signature 12.5 MW Maju Intan biomass power plant project in Perak, Malaysia. The plant upholds our vision of strengthening our standing as a regional independent power producer and moving towards developing and using green solutions as alternative fuels to produce energy.

BUSINESS AND FINANCIAL REVIEW

According to the International Monetary Fund's World Economic Outlook January 2016 report, emerging and developing Asia registered a growth of 6.6% over 2015 while the ASEAN-5 economies of Indonesia, Malaysia, Philippines, Thailand and Vietnam saw a 4.7% growth over the same period, as compared to 4.5% growth recorded over 2014.

As we focused on building our business, we registered a 6.6% decrease in the Group's revenue year-on-year to S$36.8 million in FY2016. This was mainly due to a 9.1% reduction in revenue from the power-related division and 3.1% reduction in revenue from the fire-fighting and protection division. The decrease in revenue from our power-related division was due to the absence of construction revenue in relation to the biomass project during FY2016 as compared to S$4.1 million recorded in the prior year.

The power-related division, which is our largest, contributed 56.8% or about S$20.9 million to the Group's revenue in FY2016 while our fire-fighting and

> "DURING THE YEAR IN REVIEW, THE GROUP CONTINUED TO POSITION ITSELF AS A LEADING PLAYER IN THE RENEWABLE ENERGY POWER GENERATION INDUSTRY. AMIDST CHALLENGING GLOBAL CONDITIONS, WE FOCUSED ON DEVELOPING OUR OPERATIONS TO ADAPT TO THE DYNAMIC REGIONAL BUSINESS ENVIRONMENT."

protection division added the remaining 43.2% or about S$15.9 million. The decrease in revenue from the Group's power-related division was partially offsetted by an increase in revenue from power generation of approximately S$2.1 million due to the increase in demand for electricity from our plants in Cambodia.

Profit from operations declined by 12.5% from S$1.6 million in FY2015 to S$1.4 million in FY2016. Cost of sales decreased by S$3.2 million from S$25.3 million in FY2015 to S$22.1 million in FY2016.

The Group recorded a gross profit margin of 39.8% in FY2016, which was an increase of approximately 4 percentage points from 35.6% in FY2015. This was mainly due to higher margins from the power generation and fire protection business activities and the absence of the construction revenue in FY2016.

Depreciation of property, plant and equipment increased by approximately S$0.3 million in FY2016 mainly due to the strengthening of the US Dollar, which resulted in higher depreciation expenses when translated to the Group's reporting currency. The Group also recorded a foreign exchange gain of S$0.3 million in FY2016, as compared to a gain of S$1.1 million in FY2015 which was mainly due to the strengthening of the US dollar during FY2016. Loss from the share of results of associates increased from S$1.1 million in FY2015 to S$1.3 million in FY2016 due to losses incurred for the initial year of operation of Maju Intan Biomass Energy Sdn. Bhd.. With the implementation of some cost saving measures, staff costs and other operating expenses marginally decreased from S$6.0 million and S$3.1 million in FY2015 to S$5.7 million and S$3.0 million in FY2016, respectively. Finance cost decreased by 2.5% in FY2016 with reduced utilisation of short term financing facilities for the construction of the power plant and for transactional purposes. Owing to the combination of the above factors, the Group's gross profit after tax decreased by approximately S$0.1 million to S$0.4 million in FY2016 as compared to S$0.5 million in FY2015.

STREAMLINED FOCUS

As part of our ongoing efforts to better leverage on opportunities in the energy business, we undertook activities to strengthen our balance sheets. On 6 November 2015, Colben Energy Holdings (Vietnam) Limited ("CEHV"), an indirect subsidiary, entered into a sale and purchase agreement with Nexif Energy Holdings B.V. for the disposal of its entire shareholding interest of 2,136,700 fully paid ordinary shares representing 22.09% of the issued and paid-up share capital of Viet Hydro Pte. Ltd. ("VietHydro") to Nexif Energy Hydro B.V. (the nominee of Nexif Energy Holdings B.V.). VietHydro's main asset, Lao Cai Renewable Energy (Vietnam) Joint Stock Company ("LCRE"), is currently developing a 29.7 MW hydroelectric power plant in Lao Cai Province, Vietnam. VietHydro has an equity interest of 73.6% in LCRE.

MESSAGE TO SHAREHOLDERS

Following the completion of the proposed disposal in February 2016, the Group no longer has any equity interest in VietHydro and VietHydro had ceased to be an indirect associated company of the Company. CEHV remains invested in LCRE through the 15% equity stake in LCRE held directly by CEHV. The proceeds from the disposal amounting to approximately S$3.0 million enabled us to accelerate the repayment of banking facilities and provided additional working capital for the Group.

ENERGISING THE FUTURE

The year under review marked the opening of the Maju Intan Biomass Power Plant on 8 October 2015, which was attended by Yang Berhormat Dato' Mah Siew Keong, who was the Minister in The Prime Minister's Department (currently the Minister for Plantation Industries and Commodities), and Member of Parliament of Teluk Intan; as well as Mr Jochen Anthierens, Deputy Head of Mission, Embassy of Belgium to Malaysia.

The plant is designed with a capacity to generate up to 12.5 MW and will export electricity of up to 10 MW to the national grid with the rest for the plant's own periphery use. The plant was developed, constructed, completed and readied with investments and technological expertise from the Company's wholly-owned subsidiary, Colben Energy Holdings (Maju Intan) Ltd ("Colben Energy Holdings"). The plant is an ISO certified; 20 acres integrated waste management facility coupled with a 12.5 MW biomass power plant at the cutting edge of renewable energy technology that is iconic in many different aspects. It is one of the very few successful operating large-scale, renewable energy power plant fuelled 100% by oil palm, Empty Fruit Bunches ("EFB") in Malaysia. The plant uses EFB (solid waste product from palm oil mill factories after their extraction of oil from fresh palm fruits) as its feed stock.

The demand for palm oil has also allowed the Malaysian palm oil sector to generate large amounts of biomass waste materials. Opening the Maju Intan Biomass Power Plant fulfils the objective of the "Waste to Energy" business approach with the added advantages of sustainability and being environmentally supportive for the community.

OUTLOOK

The power purchase agreement for our power plants in Phnom Penh and Sihanoukville will be expiring in October 2016. The Group is looking at various options on the use of these power plants upon the end of the contract duration. As for the plant in Phnom Penh Special Economic Zone, which we are the exclusive supplier of electricity, the demand for electricity is expected to increase with new tenants operating in the zone.

As at 31 March 2016, the Group recorded a net current liabilities of S$8.1 million arising mainly due to utilisation of short term finance on the Group's energy project in Cambodia and Malaysia. The Group is currently in negotiations to restructure existing loans to improve its liquidity position.

RENEWING OUR BOARD

In line with the Board's efforts on progressive renewal, Professor Liew Ah Choy, who has served as an independent director on the Board for more than nine years, will not be seeking re-election following his retirement via rotation at the forthcoming annual general meeting. Professor Liew Ah Choy has been a long serving member of the Board and we wish to express our sincere appreciation to him for his dedicated and invaluable contribution. We thank Professor Liew Ah Choy and wish him well in all his future endeavours.

We welcome Mr Lee Fang Wen on-board as an independent and non-executive director and a member of the Audit Committee, Remuneration Committee and Nominating Committee with effect from 1 April 2016. He brings to the Board a great depth of senior level experience in Engineering and Operation and we look forward to his valuable contributions and enhancing the board's expertise.

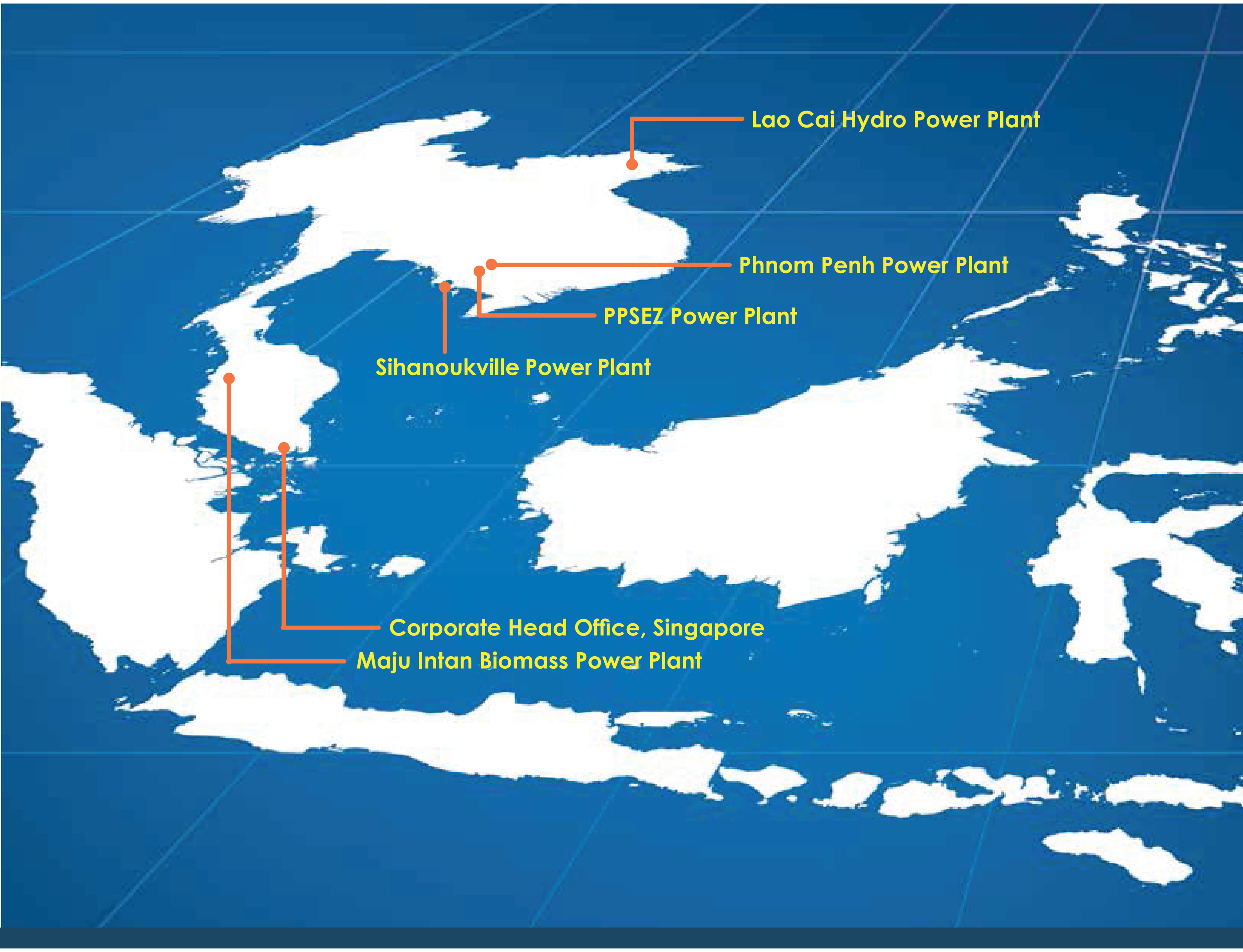
ACKNOWLEDGMENTS

On behalf of the Board, we would like to express our sincere appreciation to our management and staff, business partners and shareholders for their invaluable commitment and loyalty over the years. Again, we look forward to working with you in the year ahead to attain our goal of delivering long-term value and sustainable growth for the Company.

Tay Kah Chye
Independent Chairman

Tan Boon Kheng
Managing Director

OUR INVESTMENTS



At Asiatic, we have established a solid track record as a developer, owner and operator of energy assets in the region. The coming on line of Asiatic invested biomass power plant in Perak Malaysia, has positioned us in line with the global choice of alternative fuel which is environmental friendly and sustainable, building a stronger brand equity in the industry.

ENERGY

We believe that we are in the right businesses - businesses that meet growing needs of the future and provide solutions and products to the expectations and challenges that our region is facing. Our energy business is a service provider for industry and communities, supporting industrialization. Envisioning the future of “green” power, our investments into sustainable energy businesses in emerging markets will expand gradually.

MAJU INTAN BIOMASS POWER PLANT

Located in Teluk Intan Perak, Malaysia, this 12.5 MW Build, Own and Operate Biomass Power Plant utilizes 100% biomass waste material called Empty Fruit Bunches (EFB), a waste material after extraction of palm oil by Palm Millers. Contracted to supply 10 MW electricity to the national grid, this plant generates Carbon Credits.

COC SAN HYDRO POWER PLANT

Located in Chu Linh, Lao Cai Province, Northern Vietnam. A 50 years Build, Own and Operate joint venture investment in Lao Cai Renewable Energy (Vietnam) JSC, the hydropower plant will be built with a 30MW capacity supplying electricity to the national grid. This plant will generate Carbon Credits.

PHNOM PENH POWER PLANT

Located in Phnom Penh, Cambodia. A Build, Own and Operate investment since 2007, this 10MW fossil fuel power plant has been providing electricity to the national grid.

SIHANOUKVILLE POWER PLANT

Located in Sihanoukville, Cambodia. A Build, Own and Operate plant since 2007, this fossil fuel power plant investment with capacity of producing 10 MW of electricity has been providing electricity to the national grid.

PPSEZ POWER PLANT

Located in the Phnom Penh Special Economic Zone, Cambodia. A Build, Own and Operate investment since 2008, this fossil fuel power plant consists of three 6.5 MW generator sets providing electricity to the industrial factories and facilities inside the Industrial Park.

FIRE PROTECTION SOLUTION

Asiatic Fire protection business unit has developed into a specialised fire fighting manufacturer and experienced service station. It handles products that are technologically advanced and most importantly, competitively priced in this sensitive market. It is recognised by local and international statutory boards such as Lloyd's Register, Det Norsk Veritas, Singapore Civil Defence Force, American Bureau of Shipping, Italian Rina and the United States of America Department of Transport (US-DOT).

OPERATIONS REVIEW

For the financial year ended 31 March 2016 ("**FY2016**"), the Group's revenue declined by 6.6% from that in the financial year ended 31 March 2015 ("**FY2015**") to S$36.8 million. This was mainly due to the decrease in the revenue of the power-related division of approximately 9.1% and fire-fighting and protection division of approximately 3.1%. The decrease in revenue from our power-related division was mainly due to the absence of construction revenue in relation to the biomass project during FY2016 as compared to S$4.1 million recorded in FY2015.

The decrease in the Group's revenue was partially offset by an increase in revenue from power generation of approximately S$2.1 million which was due to the increase in demand for electricity from our plants in Cambodia.

The fire-fighting and protection revenue decreased by 3.1% due to lower sales from the marine fire-fighting business during FY2016 as compared to FY2015.

PROFITABILITY

The Group's profit from operations declined by 12.5% from S$1.6 million in FY2015 to S$1.4 million in FY2016. Cost of sales decreased by S$3.2 million from S$25.3 million in FY2015 to S$22.1 million in FY2016. The Group recorded a gross profit margin of 39.8% in FY2016, which was an increase of approximately 4 percentage points from 35.6% in FY2015. This was mainly due to higher margins from the power generation and fire protection and the absence of the construction revenue in FY2016.

Depreciation of property, plant and equipment increased by approximately S$0.3 million in FY2016 mainly due to the strengthening of the US Dollar, which resulted in higher depreciation expenses when translated to the Group's reporting currency. With the strengthening of the US Dollar during FY2016, the Group recorded a foreign exchange gain of S$0.3 million in FY2016, as compared to a gain of S$1.1 million in FY2015. Losses from share of results of associates increased from S$1.1 million in FY2015 to S$1.3 million in FY2016 due to losses incurred for the initial year of operation of Maju Intan Biomass Energy Sdn. Bhd.. Staff cost and other operating expenses decreased from S$6.0 million and S$3.1 million in FY2015 to S$5.7 million and S$3.0 million in FY2016 respectively primarily due to the implementation of some cost saving measures.

OPERATIONS REVIEW

During FY2016, finance cost declined by 2.5% due to reduced utilisation of short term financing facilities for the construction of the power plant and for transactional purposes. Profit after tax decreased from S$0.5 million in FY2015 to S$0.4 million in FY2016 as a result of a combination of the above factors.

MOVEMENT IN COMPREHENSIVE INCOME

Due to the weakening of US Dollar as at the end of FY2016, we recorded a foreign currency translation loss on foreign operations amounting to S$1.3 million, as compared to gain of S$1.8 million in FY2015. The charge was directly accounted for in the Statements of Changes in Equity under foreign currency translation reserve.

BALANCE SHEET

As at 31 March 2016, non-current assets decreased by S$14.0 million from S$88.7 million as at 31 March 2015 to S$74.8 million. The decrease was due to the disposal of an associated company, VietHydro Pte. Ltd. during the year and decrease in property, plant and equipment. Property, plant and equipment decreased due to the currency translation as a result of weakening of US Dollar as at the end of FY2016 and depreciation and reclassification made in FY2016.

Current assets increased by approximately S$9.0 million from S$26.6 million as at 31 March 2015 to S$35.6 million as at 31 March 2016 mainly due to the increase in amount due from associates from S$8.6 million as at 31 March 2015 to S$13.3 million as at 31 March 2016. The increase arose as the Group provided financial support for the increased operating expenses in Maju Intan Biomass Sdn. Bhd.. There was also an increase in construction in progress of S$2.8 million from S$1.5 million as at 31 March 2015 to S$4.3 million as at 31 March 2016 due to cost incurred for the Malaysia biomass power plant. Trade receivables increased from S$6.0 million as at 31 March 2015 to S$6.8 million as at 31 March 2016 due to increased billing during the end of FY2016. Other receivables increased by approximately S$0.5 million to S$1.1 million as at 31 March 2016 mainly due to an outstanding share contribution by a minority shareholder.

Current liabilities increased by S$4.8 million to S$43.7 million as at 31 March 2016 from S$38.9 million as at

OPERATIONS REVIEW

31 March 2015. This was mainly due to the increase in bank overdraft and short term loans and borrowings amounting to an aggregate of approximately S$5.9 million. The increase in bank overdraft was to facilitate payment to trade creditors whilst loans and borrowings were reclassified from non-current to current liabilities as that will be due within one year. Trade payables decreased from S$8.2 million as at 31 March 2015 to S$6.1 million as at 31 March 2016 due to more settlement made in FY2016 whilst other payables increased from S$2.1 million as at 31 March 2015 to S$3.3 million as at 31 March 2016 mainly due to an advance from a director to a subsidiary for working capital purposes.

Non-current liabilities decreased approximately by S$11.0 million mainly due to the reclassification of loans and borrowings according to the loan maturity.

CASH FLOW

In FY2016, net cash generated from operating activities amounted to S$1.3 million. This was mainly due to an operating cash inflow before working capital changes of S$7.2 million in FY2016 offset by the increase in amount due from associate, trade and other receivables, construction in progress and inventories together with the decrease in trade and other payables, and the payment of interest and income taxes. Net cash flow from investing activities amounted to S$2.5 million, mainly due to the sale proceeds from sale of VietHydro Pte. Ltd. of S$3.0 million which was partially offset by the purchase of property plant and equipment and other investment. The Group recorded a net cash outflow from its financing activities of S$3.6 million in FY2016 due to repayment of trust receipts and short term borrowings. The decrease was partially offset by the proceeds from the issuance of shares as a result of warrant conversion. Overall cash and cash equivalents increased by S$0.2 million during FY2016.

OUTLOOK

According to the International Monetary Fund's World Economic Outlook update in April 2016, global growth in 2016 is projected at a modest 3.2%, broadly in line with the previous year. Global growth is forecasted to strengthen at 3.5% in 2017, driven primarily by emerging market and developing economies, as conditions in stressed economies start gradually to normalise.

For 2016, the US economy is forecasted to remain resilient while European growth is projected to be modest. In Asia, growth in Japan is expected to be steady while growth in China is projected to slow, primarily reflecting weaker investment growth as the economy continues to rebalance. The Chinese economy registered 6.7% GDP growth in the first quarter of the year 2016 due to the slowdown in the economic growth. Growth is expected to moderate to 6.5% in 2016 and 6.2% in 2017.

According to the report "Energy Outlook 2016" released by British Petroleum ("**BP**"), renewables are forecasted to grow rapidly, almost quadrupling by 2035 and supplying a third of the growth in power generation. Among non-fossil fuels, renewables (including biofuels) grew 6.6%, with their share in primary energy to rise from around 3% to 9% between 2015 and 2035.

The upward trend of renewable energy sources bodes well for our business and we are optimistic that the Asian market for energy will continue to expand.

With Cambodia's rapidly growing economy translating to a surge in electricity demand, we are optimistic that the country is well positioned to diversify its power sources. In a report from the U.S. Agency for International Development ("**USAID**") and the Cambodian National Council for Sustainable Development ("**NCSD**"), electricity consumption in Cambodia has been growing rapidly, with overall demand growth averaging nearly 20% per annum since 2010. The Cambodian government has stated that it is a key goal to boost renewable power generation and accommodate advanced technologies.

Meanwhile, Malaysia has potential for the development of biomass as an alternative and renewable source of energy, due to its extensive tropical rainforests and large oil palm plantation base. In the coming years,

AMIDST THE GLOBAL ECONOMIC UNCERTAINTY, THE GROUP WILL STRIVE TO REMAIN DYNAMIC AND ADAPTABLE TO THE CHANGES THAT LIE AHEAD. GOING FORWARD, WE WILL CHANNEL OUR EFFORTS TOWARDS GROWING OUR BUSINESS IN DEVELOPING OUR ENERGY ASSETS.

we seek to capitalise on renewables, which is part of our vision to further develop and use green solutions as alternative fuels to produce energy.

Amidst the global economic uncertainty, the Group will strive to remain dynamic and adaptable to the changes that lie ahead. Going forward, we will channel our efforts towards growing our business in developing our energy assets. We are focused in maintaining our established track record by enhancing our growing network, developing efficient strategies and capitalising on regional partnerships and alliances.

The biomass project in Malaysia has been largely completed and finalisation of the billing is expected to be completed in the financial year ending 31 March 2017.

Power purchase agreement for our power plants in Phnom Penh and Sihanoukville will be expiring in October 2016. The Group is looking at various options on the use of these power plants upon the end of the contract duration. As for the plant in Phnom Penh Special Economic Zone, which we are the exclusive supplier of electricity, the demand for electricity is expected to increase with new tenants operating in the zone.

Fire-fighting and protection business is expected to be challenging due to the current economy outlook.

As at 31 March 2016, the Group is in a net current liabilities position of S$8.1 million arising mainly due to utilisation of short term finance on the Group's energy project in Cambodia and Malaysia. The Group is currently in negotiations to restructure existing loans to improve its liquidity position.

BOARD OF DIRECTORS

Tay Kah Chye, 69
Independent Chairman

was appointed as a Non-Executive Independent Director of the Company, and Chairman of the Board on 1 October 2013 and was last re-elected at the AGM held on 25 July 2014. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He is currently the Executive Chairman of CLMV Consult Net Private Limited, a regional consulting company headquartered in Singapore and the Chief Executive Officer of the PATA Group (comprising PATA Consultancy Pte Ltd and PATA International Enterprise Pte Ltd). He has served as the Honorary Secretary General of ASEAN Bankers Association, a regional banking industry group from 1991 to 2007 and as Honorary Advisor from 2008 to 2010. Prior to his retirement on 31 December 2007, Mr Tay was the President and Chief Executive Officer of ASEAN Finance Corporation Ltd, a regional merchant bank based in Singapore and owned by various leading banks and financial institutions in ASEAN since 1991. He is an independent director of Wilmar International Ltd and Chemical Industries (Far East) Ltd. He graduated with a Bachelor of Social Sciences (Economics) from the University of Singapore in1970.

Tan Boon Kheng, 55
Managing Director

is the Group Managing Director. He joined the Group in 1983 upon his graduation from Singapore Polytechnic with a diploma in mechanical engineering and was appointed a Director on 25 October 2002. His primary responsibilities are strategic planning and business development. Mr Tan was instrumental in the Group's foray into the overseas markets and expansion into the power generation business. Mr Tan has been accredited as a Qualified Fire Safety Manager by the Singapore Joint Civil Defence Force since 1982. Tan Boon Kheng is the brother of Tan Boon Yew and Tan Boon Siang. He was last re-elected at the AGM held on 31 July 2013. Pursuant to Regulation 103 of the Company's Constitution, Mr Tan Boon Kheng will retire as a director via rotation at the forthcoming AGM and has consented for re-election as a director.

Tan Boon Yew, 57
Executive Director

joined the Group in 1981 and is responsible for the management and supervision of the marine-based fire fighting and protection business. He was appointed a Director on 25 October 2002. Tan Boon Yew is the brother of Tan Boon Kheng and Tan Boon Siang. He was last re-elected at the AGM held on 30 July 2015.

Tan Boon Siang, 47
Executive Director

joined the Group in 1993 and is responsible for the management and supervision of the land-based fire fighting and protection business. He was appointed a Director on 25 October 2002. He has been accredited as a Qualified Fire Safety Manager by the Singapore Joint Civil Defence Force since 1994. Tan Boon Siang is the brother of Tan Boon Kheng and Tan Boon Yew. He was last re-elected at the AGM held on 25 July 2014.

Seah Hai Yang, 54
Independent Director

was appointed as a Non-Executive Independent Director of the Company on 25 September 2007 and was last re-elected at the AGM held on 30 July 2015. Mr Seah is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. He is a Director and founder of a consultancy company which provides accounting consultancy and corporate secretarial support services. Prior to establishing his own company, he held senior appointments in accounting and finance with private and public companies in various industries. Mr Seah graduated from the National University of Singapore with an Accountancy degree and is a Fellow of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors and had acted as the Company Secretary for several public listed companies on the SGX-ST. Mr Seah is currently the Chief Financial Officer of a public company listed on the SGX-ST.

Liew Ah Choy, Professor, 70
Independent Director

was appointed as a Non-Executive Independent Director on 20 January 2003 and was last re-elected at the AGM held on 25 July 2014. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Professor Liew has extensive experience in the fields of high voltage technology and electrical systems and is currently an Adjunct Professor in Electrical & Computer Engineering at the National University of Singapore ("NUS"), and Director/CEO of EquiVolt Pte Ltd, a specialist consulting company in electrical engineering. Prior to joining NUS, Professor Liew was with the University of Malaya. He has held numerous leadership positions in several academic and professional institutions and has been a specialist consultant to many projects for government agencies and private companies in Singapore, Malaysia, Indonesia and Brunei. Professor Liew was a Colombo Plan scholar and graduated from the University of Queensland with First Class Honours in Electrical Engineering and has a PhD also from the University of Queensland. He is the recipient of several awards and honours from both academic and professional institutions and a Public Service Award Medal from the President of Singapore. Professor Liew will retire via rotation at the forthcoming AGM and will not be seeking re-election.

Lee Fang Wen, 55
Independent Director

Appointed Non-Executive Independent Director on 1st April 2016, he is a member of the Audit Committee, Remuneration Committee and Nominating Committee. Mr Lee has extensive experience in manufacturing, engineering, marketing, procurement and sourcing, having worked with Motorola Electronics, Compaq Asia and MFS Technology (S) Pte Ltd. He held several key management positions in MFS Technology (S) Pte Ltd during his 17 years there and was responsible for setting up MFS's Malaysia FPC factory in 1999 and its Shanghai Representative Office in 2002. He was appointed Executive Director of Creative Master Bermuda Limited from 2013 to 2014 to resolve the company's outstanding issues and obtain shareholders' approval for members' voluntary liquidation and distribution of final cash balance to all shareholders. He is currently a Non-Executive Independent Director of Tai Sin Electric Limited, a company listed on the main board of the SGX-ST. Mr Lee graduated with a Chemical Engineering degree from the National University of Singapore. He is a member of the Singapore Institute of Directors. Pursuant to Regulation 107 of the Company's Constitution, Mr Lee will retire as a director at the forthcoming AGM and has consented for re-election as a director.

KEY MANAGEMENT

Tan Ah Kan @ Tan Kow La, PBM is the founder of the Group. He is also the Group's former Chairman. He retired as a Non-Executive Director of the Company on 1 October 2013. Upon his retirement, Mr Tan continues to helm Asiatic System Pte Ltd as a director. He was instrumental in building up the fire fighting and protection business over the past 30 years and has extensive experience and knowledge in the fire fighting and protection industry. He was awarded a PBM (Public Service Medal) in 2001 by the President of Singapore for his efforts and contributions to the community. Tan Ah Kan @ Tan Kow La is the father of Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang.

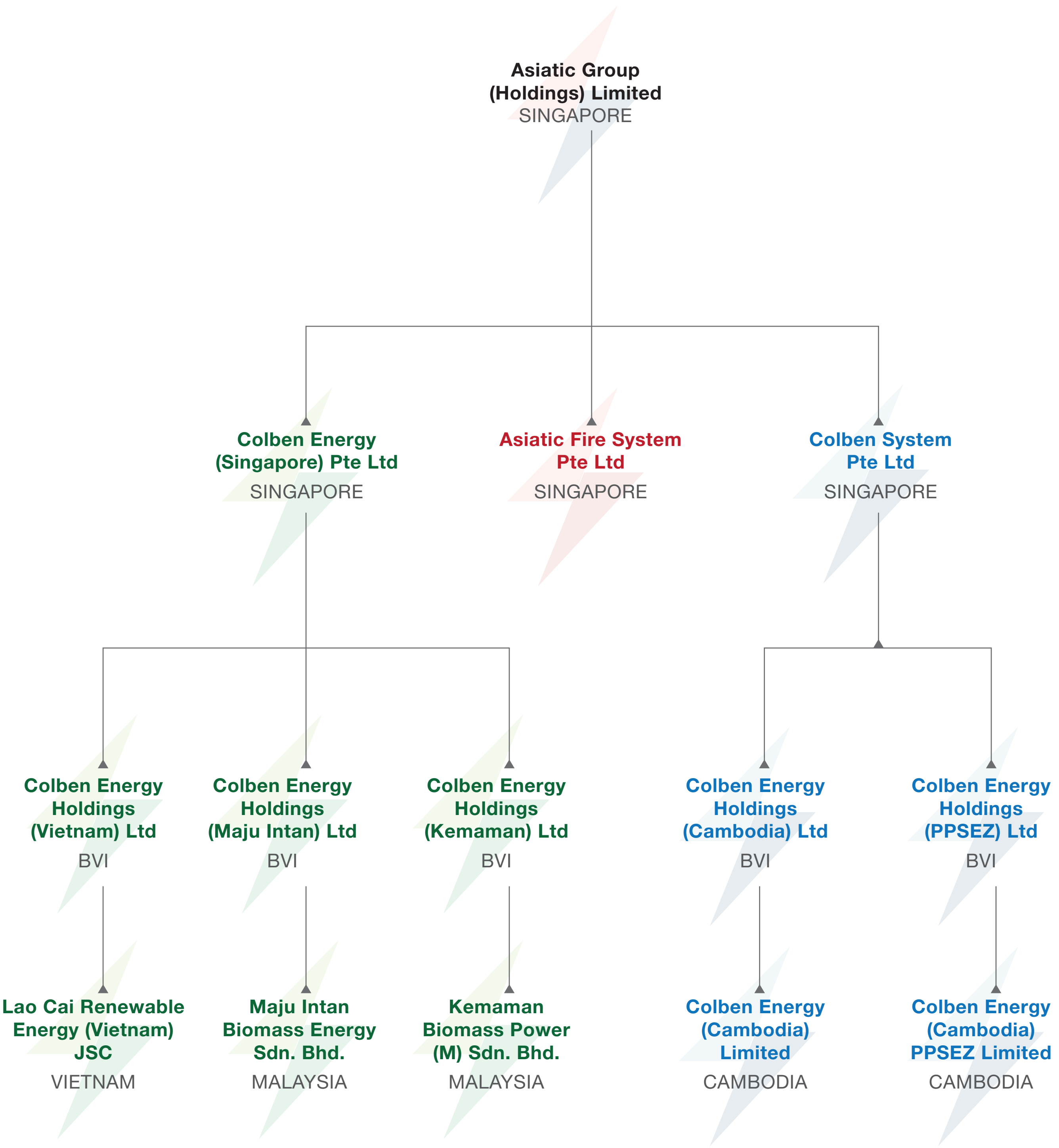
Ng Meng Cheng is Director of Colben System Pte Ltd and Chief Operating Officer of Colben's operations in Cambodia. He is specialized in operating and handling heavy equipment, and has vast experience in offshore oil exploration logistic operation and all types of offshore anchor handling tug boat and holding a third marine officer rank. Since 1990, he entered into the Kingdom of Cambodia for various ventures and held senior positions in companies as Director/COO to Chairman.

Tan Sian Leong is our Financial Controller and is responsible for the strategic planning, corporate structuring, financial planning, treasury functions, statutory reporting and accounting of our Group. Prior to joining our Group in 2003, Mr Tan was an auditor in Ernst & Young and BDO International. Mr Tan graduated from Association of Chartered Certified Accountants with a professional certificate. He is a member of the Institute of Singapore Chartered Accountants and member of the Association of Chartered Certified Accountants.

Lee Yoke Chun is our Administration and Human Resources Manager. Prior to joining our Group in 1987, Mdm Lee has worked in the administration and accounts departments of various companies in different industries, such as distribution, manufacturing and construction. Mdm lee holds a diploma in business administration from the PSB. Mdm lee is the spouse of our Managing Director, Tan Boon Kheng.

CORPORATE STRUCTURE

(as of 31 March 2016)



CORPORATE INFORMATION

DIRECTORS

Tay Kah Chye
(Independent Chairman)

Tan Boon Kheng
(Managing Director)

Tan Boon Yew
(Executive Director)

Tan Boon Siang
(Executive Director)

Liew Ah Choy
(Independent Director)

Seah Hai Yang
(Independent Director)

Lee Fang Wen
(Independent Director)
Appointed on 1 April 2016

COMPANY SECRETARIES

Leong Chee Meng Kenneth
Tan Sian Leong

REGISTERED OFFICE

65 Joo Koon Circle Singapore 629078
Tel: (65) 6863 0188
Fax: (65) 6897 9220

COMPANY REGISTRATION NO.

200209290R

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Ng Boon Heng
(with effect from financial year 2012)

AUDIT COMMITTEE

Seah Hai Yang *(Chairman)*
Liew Ah Choy
Tay Kah Chye
Lee Fang Wen

REMUNERATION COMMITTEE

Tay Kah Chye *(Chairman)*
Seah Hai Yang
Liew Ah Choy
Lee Fang Wen

NOMINATING COMMITTEE

Liew Ah Choy *(Chairman)*
Seah Hai Yang
Tay Kah Chye
Lee Fang Wen

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

The Company is committed to maintaining a high standard of corporate governance and transparency within the Company, and together with its subsidiaries (the "**Group**"), to preserve and enhance the interests of all shareholders and investors. The Company has adopted corporate governance practices and guidelines with references to the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 for the financial year ended 31 March 2016 ("**FY2016**").

Pursuant to Rule 710 of Listing Manual Section B: Rules of Catalist issued by the SGX-ST (the "**Catalist Rules**"), this report describes the Company's corporate governance processes and activities for FY2016. Proper explanation has been given where there is a deviation from the recommended guideline(s).

(A) BOARD MATTERS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Board of Directors

The board of directors (the "**Board**") is responsible for setting the strategic direction for the Company. Every Director is expected to act in good faith and always in the best interest of the Company and the Board is entrusted with the responsibility for the overall management of the Company.

The Board's primary responsibilities include review and approval of policy guidelines, setting directions to ensure that the strategies undertaken seek to enhance shareholders' value. The Board meets regularly on a half-yearly basis and as and when warranted by particular circumstances, both formally and informally. Meetings by the Board may also be conducted via telecommunication means. The following matters require the Board's approval:

- Statutory requirements such as approval of financial statements;
- Other requirements such as half-year and full year results announcements;
- Corporate strategic direction, strategies and action plans;
- Issuance of policies and key business initiatives;
- Authorisation of acquisition/disposal and other material transactions;
- Declaration of interim dividends and proposal of final dividends; and
- Convening of shareholders' meetings.

Non-executive directors are encouraged to constructively challenge and help develop strategies, and to review and monitor the performance of Management, agreed goals and objectives.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other consultants on the continuing obligations and requirements expected of a public listed company. Further, Directors are encouraged to attend seminars and courses to complement their core expertise. When a Director is first appointed to the Board, an orientation program is arranged for him to ensure that he is familiar with the Group's business and governance practices. Upon appointment, a formal letter shall be issued setting out the duties, responsibilities and obligations of a Director.

Courses, conferences and seminars attended by some of the Directors in FY2016 include:

- those run by the Singapore Institute of Directors ("**SID**"), the Accounting and Corporate Regulatory Authority ("**ACRA**") and the SGX-ST, including "ACRA-SGX-SID-Audit Committee Seminar - Preparing for 2015";

- those run by the Institute of Singapore Chartered Accountants, including "E068 (The Ethics Challenge: Ways to manage and What to watch out for)"; and

- those run by professional audit firms, including "Seminar on FRS update".

As part of the orientation program, the Executive Directors had briefed the newly appointed director, Mr Lee Fang Wen, on the Group's business strategy, challenges and operations. Mr Lee received a formal letter of appointment setting out his duties and obligations in respect of being an Independent Director. Since his appointment, Mr Lee had also met all members of the Board Committees and familiarized himself with the roles and responsibilities expected of the respective Committees and their governance practices. In addition, Mr Lee also met with the Group's Financial Controller and had been updated on the financial matters of the Group. Mr Lee had also attended courses conducted by SID on "Audit Committee Essentials", "Risk Management Essentials", "Nominating Committee Essentials" and "Remuneration Committee Essentials".

Our Board has established and delegated certain responsibilities to the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**") (collectively, the "**Committees**"). The Committees are each chaired by an Independent Director and all members are independent and non-executive.

Directors' Attendance at Board and Committee Meetings

Meeting of :	**Board**	**AC**	**NC**	**RC**
Total held in FY2016	2	2	1	1
Tay Kah Chye *(Independent and non-executive Chairman)*	2	2	1	1
Tan Boon Kheng *(Managing Director)*	2	2[(1)]	1[(1)]	1[(1)]
Tan Boon Yew *(Executive Director)*	2	2[(1)]	1[(1)]	1[(1)]
Tan Boon Siang *(Executive Director)*	2	2[(1)]	1[(1)]	1[(1)]
Seah Hai Yang *(Independent and non-executive Director)*	2	2	1	1
Liew Ah Choy *(Independent and non-executive Director)*	2	2	1	1
Lee Fang Wen[(2)] *(Independent and non-executive Director)*	–	–	–	–

Note:

1. *By invitation.*
2. *Mr Lee Fang Wen was appointed to the Board on 1 April 2016.*

Every Director has separate and independent access to the Management, Company Secretary and the external auditors at all times. The Company currently does not have a formal procedure to seek independent and professional advice for the furtherance of the Board's duties. However, the Directors may, on a case-to-case basis, propose to the Board for such independent and professional advice to be sought, the cost of which will be borne by the Company.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises seven (7) Directors, namely, three (3) executive directors, and four (4) independent and non-executive directors, whose collective experience and contributions are valuable to the Company.

The Board has reviewed its size and is of the view that the current arrangement is adequate. There is a strong and independent element on the Board given that the Independent Directors form at least half of the Board and the Chairman of the Board is also an independent director. Accordingly, the composition of the Board is in compliance with the Code. The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board comprises Directors who have expertise across areas such as finance and accounting, business and industry, management and strategic planning.

Profiles of the Directors

The profile of our Directors can be found on pages 12 to 13 of this Annual Report.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company is cognizant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer (in our case, the Managing Director (the "**MD**")). Mr Tan Boon Kheng is the MD while Mr Tay Kah Chye, an Independent Director, is the Chairman of the Board.

The roles of the Chairman and the MD are separate to ensure a clear division of their responsibilities and increased accountability, in accordance with the recommendations of the Code. The Chairman is not related to the MD.

The Chairman is responsible for, inter alia, exercising control over the quality, quantity and timeliness of flow of information between Management and the Board, and assisting in ensuring compliance with our Company's guidelines on corporate governance, while our MD is responsible for planning, business development and generally charting the strategic growth of the Group.

The Independent Directors have met periodically in the absence of Management in FY2016 as and when required.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Nominating Committee ("NC")

The NC comprises the following members, all whom are independent and non-executive directors:

- Liew Ah Choy (Chairman)
- Seah Hai Yang (Member)
- Tay Kah Chye (Member)
- Lee Fang Wen (Member)

The NC is guided by key terms of reference as follows:

- Identifies candidates and reviews all nomination for the appointment and re-appointment of member of the Board based on his/her contribution and performance;
- Determines annually whether a Director is independent in accordance with the guidelines of the Code;
- Assesses the effectiveness of each Director as to whether he/she is able to and has adequately carried out his/her duties as a Director, in particular, where a Director has directorships in other companies;
- Reviews the structure, size and composition of the Board and make recommendations to the Board;
- Ensures that all new members of the Board undergo an appropriate orientation programme; and
- Decides how the Board's performance may be evaluated and proposes objective performance criteria for the Board's approval.

The NC has examined the current size and composition of the Board and is satisfied that the Board has adequate ability to meet the Company's existing scope of needs and the nature of operations. From time to time, the NC will review the appropriateness of the Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment. Where a vacancy occurs, the Management and the Board will procure suitable candidates for the NC's review and consideration. If need be, the NC may also engage external search consultants to search for candidates at the Company's expense. The NC will review the candidate's credentials, and amongst others, assess the candidate's competency, suitability and ability to devote sufficient time for the Company. Upon a successful match, the NC will provide its recommendations to the Board for approval.

For the re-election of incumbent directors, the NC would assess the performance of the director in accordance with the performance criteria set by the Board and also consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The NC has reviewed and considered and is of the opinion that the multiple listed company board representations held by some of the Company's Directors have not impeded their performance and abilities in carrying out their duties to the Company. For FY2016, the Board did not set any cap on the number of listed company board representations a Director may hold given that all the Independent and non-executive Directors do not have extensive multiple directorships and have been able to dedicate their time and attention to the business of the Company. Nevertheless, if the Board finds that time commitment is lacking from any particular Director, they may consider imposing a cap in future.

The independence of each Independent and non-executive Director is reviewed annually by the NC based on the criteria of independence provided by the Code. Every Independent and non-executive Director is also required to complete, and had in FY2016 completed, a declaration to confirm his independence. Mr Lee Fang Wen had completed a declaration to confirm his independence in connection with his appointment to the Board. The NC had assessed the independence of each Director and considers Mr Tay Kah Chye, Mr Seah Hai Yang, Professor Liew Ah Choy and Mr Lee Fang Wen to be independent.

The Company does not have any alternate directors.

The Constitution of the Company (the "**Constitution**") provides that at least one-third of the Board is required to retire via rotation at each annual general meeting ("**AGM**") and that each Director shall retire from office at least once every three (3) years. A retiring Director is eligible for re-appointment subject to his consent. The NC has noted that the following Directors will retire via rotation at the forthcoming AGM pursuant to Regulation 103 of the Constitution:

Name of Director	Designation	Date of Last Re-election	Date of appointment
Tan Boon Kheng	Managing Director	31 July 2013	25 October 2002
Liew Ah Choy	Independent and Non-Executive Director	25 July 2014	20 January 2003

The NC had reviewed and recommended that Mr Tan Boon Kheng, who is retiring via rotation pursuant to the Constitution, and who, being eligible and having consented, be nominated for re-election as a Director at the forthcoming AGM. Subject to being duly re-elected, Mr Tan Boon Kheng will remain as the Managing Director.

At the forthcoming AGM, Professor Liew Ah Choy ("**Professor Liew**"), an Independent and non-executive Director who was first appointed in 2003, would have served as an Independent Director for more than 9 years and is due to retire by rotation in accordance with the Constitution. In line with efforts by the Board in its renewal process and taking into consideration the recent appointment of Mr Lee Fang Wen as an Independent Director as announced on 1 April 2016, Professor Liew has taken the opportunity to retire at the AGM and will not be seeking re-election. Co-terminus with his forthcoming retirement, Professor Liew's appointments on all the board committees shall also cease. The NC noted that Professor Liew is a well-known authority in his area of expertise, and his knowledge and experience complement and is relevant to the Group's business. Professor Liew has always provided valuable and technical views in deliberation on the Group's policies and business operations. Accordingly, upon his retirement from the Board at the forthcoming AGM, the NC (with Professor Liew abstaining from such deliberations) had proposed that the Management and the Board should consider engaging the services of Professor Liew as a technical consultant to the Group as and when required.

Mr Lee Fang Wen, who was appointed by the Board on 1 April 2016, will retire at the forthcoming AGM pursuant to Regulation 107 of the Constitution. The NC had reviewed and recommended that Mr Lee Fang Wen, who is retiring pursuant to the Constitution, be nominated for re-election as a Director at the forthcoming AGM. Subject to being duly re-elected, Mr Lee Fang Wen will assume the appointment as Chairman of the NC and shall remain as a member of the AC and RC. Mr Lee Fang Wen will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has adopted a formal process to assess the performance and contributions of the Directors and the effectiveness of the Board as a whole. The NC sets objective performance criteria for the assessment which allow comparison with industry peers. The assessment criteria focus on the effectiveness and efficiency on the Board's access to information, evaluation of the size and composition of the Board, the Board's processes, procedures and compliance, accountability, the Board's performance in connection to discharging its responsibilities and duties, and Directors' standards of conduct including his interactive skills, participation level at the Board and Committees' meetings, insight knowledge and preparedness for the meetings as well as availability to attend meetings. In addition, the qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board.

The review process involves:

1. All Directors individually and collectively as a whole completed a board evaluation questionnaire on the effectiveness of the Board and the individual Directors based on the aforementioned performance criteria;

2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and

3. The NC discussed the report and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

Following the completion of the assessment for FY2016 (save for the assessment on Mr Lee Fang Wen who was only appointed on 1 April 2016), the NC is of the opinion that the Board, its Committees and each Director have been effective and have met their performance objectives during FY2016. The evaluation exercise is carried out annually. No external facilitator was used in the evaluation process.

Access To Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board is kept abreast on the Group's operations and key performance through updates and reports, as well as through informal discussions given by Management (including the Managing Director and the Executive Directors). Prior to any meetings of the Board or Committees, every Director, if applicable, are given sufficient board papers to prepare them for the meetings. Board members have separate and independent access to Management on queries or when they require additional information on the affairs of the Company and the Group.

Management would provide the Board with the required explanatory documents on matters to be brought before the Board. Copies of disclosure documents, budgets, forecasts, unaudited financial statements together with explanations for any significant or material variance between the budget and actual results are tabled by Management for review during the Board meeting.

Each Director also has access to the Company Secretary who attends the Board and the Committees' meetings. The Company Secretary also assists the Chairman and the Board in the conduct of meetings and ensures that procedures and corporate governance practices are adhered to. The appointment and removal of the Company Secretary is subjected to the approval of the Board as a whole.

Where the Directors either individually or as a group, in the furtherance of their duties, require independent professional advice, Management had agreed to avail the obtaining of such service at the Company's expense.

(B) REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The composition of the RC is as follows. All members of the RC are independent and non-executive directors:

- Tay Kah Chye (Chairman)
- Seah Hai Yang (Member)
- Liew Ah Choy (Member)
- Lee Fang Wen (Member)

The RC is guided by key terms of reference as follows:

- Reviews and recommends to the Board, a framework of remuneration for the Board and key management personnel;
- Recommends to the Board, the executives' and employees' share option schemes or any long term incentive schemes which may be set up from time to time and does all acts necessary in connection therewith;
- Reviews the level of remuneration that is appropriate to attract, retain and motivate the Directors and key management personnel; and
- Reviews and recommends to the Board the terms of renewal of Directors' service contracts.

The RC also administers the following share plans of the Company, namely:

1. Asiatic Share Option Scheme 2008 which was approved and adopted at the extraordinary general meeting ("**EGM**") held on 25 July 2008; and
2. Asiatic Performance Share Plan which was approved and adopted at the EGM held on 15 August 2013.

In determining remuneration packages of executive directors and key management personnel, the RC will ensure that they are adequately but not excessively rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain executive talent.

In determining the level and mix of remuneration, the RC ensures that the level should be appropriate to attract, retain and motivate Directors and key management personnel to run the Company successfully. The review of the remuneration packages takes into consideration the long-term interests and direction of the Group, the performance of the Group and the overall assessment of the Board and individual contribution of the Directors and key management personnel. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

In discharging their duties, the RC may seek professional advice where necessary. No remuneration consultants were engaged by the Company in FY2016.

All recommendations of the RC will be submitted for endorsement by the entire Board. No Director is involved in deciding his own remuneration and directors' fees are recommended by the Board for approval by the shareholders at the AGM.

Level and Mix Of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

For FY2016, the RC had reviewed the remuneration packages for the Directors, key management personnel and the employees who are related to the Directors. The remuneration of the executive directors, Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang, are covered by service agreements which are subject to yearly renewal. The salary, terms and conditions of their respective service agreements remained unchanged for the financial year ending 31 March 2017.

Disclosure on Remuneration

Principle 9: ***Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.***

The total remuneration and breakdown (in percentage terms) of the remuneration of Directors of the Company for FY2016 is set out below:

Name of Director	Total Remuneration (S$)	Base/Fixed Salary	Directors' Fee	Bonus	Other Benefits	Total
Tan Boon Kheng[(1)(3)]	380,000	93%	–	7%	–	100%
Tan Boon Yew[(1)]	270,000	93%	–	7%	–	100%
Tan Boon Siang[(1)]	274,000	93%	–	7%	–	100%
Tay Kah Chye	30,000	–	100%	–	–	100%
Liew Ah Choy	30,000	–	100%	–	–	100%
Seah Hai Yang	30,000	–	100%	–	–	100%
Lee Fang Wen[(4)]	–	–	–	–	–	–

The breakdown (in percentage terms) of the remuneration of the top 5 key management personnel of the Group for FY2016 is set out below:

Name of Key Management Personnel	Designation, Name of Entity	Base/Fixed Salary (%)	Bonus (%)	Total (%)
Below S$250,000				
Tan Ah Kan @ Tan Kow La[(1)]	Director, Asiatic Fire System Pte. Ltd.	86	14	100
Tan Ah Soi[(2)]	Factory Manager, Asiatic Fire System Pte. Ltd.	87	13	100
Lee Yoke Chun[(3)]	Group Admin & HR Manager	89	11	100
Tan Sian Leong	Group Financial Controller	90	10	100
Ng Meng Cheng	Director, Colben System Pte Ltd	100	–	100

Notes:

1. *Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang are the sons of Tan Ah Kan @ Tan Kow La.*
2. *Tan Ah Soi is the brother of Tan Ah Kan @ Tan Kow La.*
3. *Lee Yoke Chun is the spouse of Tan Boon Kheng.*
4. *Lee Fang Wen was appointed to the Board on 1 April 2016 and as such, no directors' fees were paid to him in FY2016.*

The aggregate remuneration paid to the above key management personnel was approximately S$809,000 in FY2016.

No termination, retirement and post-employment benefits were granted to the Directors or key management personnel for FY2016.

The remuneration received by the Managing Director, the Executive Directors and key management personnel takes into consideration his/her individual performance and contribution towards the overall performance of the Group for FY2016. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary. The variable compensation is determined based on the level of achievement of corporate objectives (such as financial performance) and individual performance objectives (such as project management, strategic and operational effectiveness). The RC has reviewed and is satisfied that the remuneration received by the Managing Director, the Executive Directors and key management personnel are commensurate with their efforts and achievements.

Remuneration of other employees related to a Director

Tan Chee Meng and Tan Tze Wee are cousins to Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang, the Managing Director and Executive Directors of the Company. The aggregate remuneration (including CPF contributions thereon and benefits) of these employees amounted to approximately S$128,000 for FY2016.

Name	S$50,000 to S$100,000
Tan Chee Meng	√
Tan Tze Wee	√

Save as disclosed, there is no family relationship between any of our Directors, key management personnel and other employees.

The Asiatic Share Option Scheme 2008

The Asiatic Share Option Scheme 2008 (the "**Scheme**") was approved and adopted by the members of the Company at the EGM held on 25 July 2008. The Scheme is administered by a committee comprising the members of the RC (the "**Scheme Committee**"). Under the Scheme, selected employees and directors of the Group are eligible to participate at the discretion of the Scheme Committee. Controlling shareholders and their associates (as defined in the Catalist Rules) shall not participate in the Scheme.

The Scheme shall continue in force for a maximum period of 10 years commencing from 25 July 2008, provided always that the Scheme may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Other salient information regarding the Scheme is as follows:

(a) The aggregate number of shares over which options may be granted, when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the option.

(b) The Scheme has two categories of options, being the Market Price Option and the Incentive Option:

 (i) Under the Market Price Option, the exercise price is the average of the last dealt prices for a share as determined by reference to the daily official list published by the SGX-ST for the five (5) consecutive market days immediately preceding the date of grant, rounded up to the nearest whole cent (the "**Market Price**"); or

 (ii) Under the Incentive Option, the Committee has the discretion to issue option with an exercise price set a discount not exceeding 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted by the SGX-ST).

(c) The eligible grantee must accept the offer of the option within a period of not less than 15 days and not more than 30 days from the date of such offer else the offer will lapse. Upon the acceptance of the offer, the grantee shall pay to the Company the sum of S$1.00.

(d) A Market Price Option may be exercised during the period commencing after the 12 months period from the offer date and expiring on the tenth anniversary of such offer date. An Incentive Option can be exercised during the period after the 24 months period from the offer date and expiring on the tenth anniversary of such offer date. Option granted to the non-executive Directors will expire on the fifth anniversary of such offer date.

Since the commencement of the Scheme and for FY2016, no options have been granted yet.

The Asiatic Performance Share Plan

The Company has adopted a performance share plan known as Asiatic Performance Share Plan (the "**Share Plan**") which was approved by the shareholders of the Company at the EGM held on 15 August 2013. The Share Plan is administered by the RC and no share award has been granted since its adoption and for FY2016.

The Share Plan is designed to complement the existing Scheme and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. The Directors believe that the Share Plan will provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining local and foreign talent.

Unlike the Scheme whereby participants are required to pay the exercise price of the options when exercising such options into shares, the Share Plan allows the Company to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid shares to participants after these targets have been met.

In addition, the assessment criteria for granting option(s) under the Scheme are more general (e.g. based on length of service and general performance of the Group) and do not relate to specific performance targets imposed by the Company. In contrast, the assessment criteria for granting of awards under the Share Plan will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

The Share Plan allows for participation by the Group's employees (including the Group's Managing Director and Executive Directors, namely, Tan Boon Kheng, Tan Boon Yew and Tan Boon Siang) and Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant date of grant of the award provided that none shall be an undischarged bankrupt at the relevant time, and who, in the absolute discretion of the RC, will be eligible to participate in the Share Plan.

Subject to the absolute discretion of the RC, the controlling shareholders of the Company and their associates who meet the criteria as set out above are eligible to participate in the Share Plan, provided that (a) the participation of, and (b) the terms of each grant and the actual number of shares comprised in the share awards granted under the Share Plan to, a participant who is a controlling shareholder of the Company or his associate shall be approved by independent shareholders in a general meeting in separate resolutions for each such person.

Subject to the absolute discretion of the RC and prior to any grant of an award to any controlling shareholder of the Company or his associate, the Company will seek approval from its independent shareholders for the participation of such person in the Share Plan and/or the grant of an award to such person. Further details of the Share Plan are disclosed on page 33 of the Directors' Statement.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is aware and responsible to provide balanced and easy to understand assessment of the Group's performance, position and prospects, including interim and other price sensitive public information, reports to regulators (if required) and its sponsor. Management provides Directors with sufficient relevant information on the Group's financial performance and insight into the industries' operating conditions where the Group operates in on a timely basis. The Company also adopts an open door policy to encourage Independent Directors to seek explanation or have informal discussion on any aspect of the Group's operations or business from Management.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance and has outsourced its internal audit function. KPMG Services Pte. Ltd. was the internal auditor ("**IA**") for the Group for FY2016. In assessing the design and operating effectiveness of internal controls, the Board notes that the system of internal control provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The Group's financial risk management objectives and policies are further discussed under note 33 to the financial statements.

The system of internal controls maintained by the Group includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational, information technology and compliance risks. However, the Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

As part of the annual statutory audit, the Group's external auditors conduct an annual review, in accordance with their audit plan, of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken on the recommendations made by the external auditors in this respect, if any. For FY2016, the AC had received assurance from the Managing Director and Financial Controller:

(i) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the Company's risks management and internal control systems were effective.

Based on the internal controls established and maintained by the Group and work performed on key internal controls by the external auditors, reviews performed by the Management and the various Board Committees, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology controls and risk management systems as at 31 March 2016.

Audit Committee ("AC")

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

All members of the AC are independent and non-executive directors and its composition is as follows:

- Seah Hai Yang (Chairman)
- Liew Ah Choy (Member)
- Tay Kah Chye (Member)
- Lee Fang Wen (Member)

The AC is guided by key terms of reference as follows:

- reviews the financial and operating results and accounting policies of the Group;
- reviews with the external auditors the audit plan and their evaluation of the system of internal accounting controls and monitor Management's response and actions to correct any noted deficiencies;
- reviews the internal audit plan and findings of the IA;
- evaluates the effectiveness of both the internal and external audit efforts through regular meetings;
- determines that no unwarranted Management restrictions are being placed upon either the internal or external auditors;
- reviews the financial statements with Management and external auditors for submission to the Board;
- reviews interested person transactions;
- reviews the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- recommends to the Board the appointment, or re-appointment and removal of the external auditors;
- reviews the interim and annual announcements of financial results of the Group before submission to the Board for approval;
- meets with the external auditors without the presence of the Management at least once annually;
- reviews the independence of the external auditors annually; and
- generally undertakes such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC meets at least two times a year and as frequently as is required. In particular, the AC meets to review the financial statements before they are announced on SGXNET. In the financial year under review, the AC has met to review and approve the audit plan as well as the half-year and full-year unaudited results for announcement purposes. The AC has also met with the external auditors in the absence of Management in FY2016.

To enable the AC to discharge its function properly, it has full access to and co-operation from Management and has full discretion to invite any director or executive officer to attend its meetings.

The AC may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if deemed necessary to discharge its responsibilities properly. Such expenses would be borne by the Company.

The AC may also review arrangements (in accordance with the Group's whistle-blowing policy) by which staff of the Company and external parties such as vendors and customers may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC ensures that arrangements are in place for the independent investigation of such matters and that appropriate follow up actions are carried out. The AC did not receive any reports in connection with the aforesaid matters in FY2016.

Pursuant to Rule 715 of the Catalist Rules, the AC noted that the Company and its Singapore incorporated subsidiaries were audited by Messrs Ernst & Young LLP based in Singapore. The statutory auditors for the Company's subsidiaries in Cambodia were Messrs BDO (Cambodia) Limited based in Cambodia. For the purposes of the Group's audit and consolidation, Messrs Ernst & Young LLP, Singapore, had also performed a full audit of the accounts of the Cambodian subsidiaries. Further infomation on the auditors appointment can be found in Notes 10 and 11 to the financial statements.

The Board and the AC had reviewed the audit arrangements with Messrs Ernst & Young LLP, Singapore, and noted that the current arrangement had not compromised the standard and effectiveness of the audit for the Group and that the auditors had no objection on the current arrangement. The Company has complied with Rules 712 and 715 of the Catalist Rules.

Non-audit services provided by the external auditors (if any) are reviewed by the AC to ensure that the provision of such services which would not affect the independence of the external auditors.

There were no non-audit services provided by Messrs Ernst & Young LLP and Messrs BDO (Cambodia) Limited in FY2016. The AC has reviewed the independence and objectivity of the external auditor in FY2016 and is satisfield that the external auditors remain independent and objective. The AC has also recommended the re-appointment of Messrs Ernst & Young LLP as the external auditors for the ensuing financial year.

In FY2016, the Board had periodically assessed and reviewed, together with the assistance of the NC, that the members of the AC are appropriately qualified to discharge their responsibilities. The Board viewed that adequate and reasonable assistance and support was properly rendered by the Directors and Management to enable the AC to carry out its role effectively and efficiently. The AC comprises members who have expertise and experience in financial management and are qualified to discharge the AC's responsibilities. The AC was also provided with information such as updates on consultation papers issued by the SGX-ST as well as the changes to the Singapore's Financial Reporting Standards.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC will review the adequacy and effectiveness of the internal auditor annually. The IA's primary line of reporting is to the Chairman of the AC. However, they also have an administrative reporting function to Management where planning, coordinating, managing and implementing internal audit work cycle are concerned. The IA report was also given to the external auditors to ensure effective use of resources and to avoid duplication of efforts.

The AC is satisfied that IA is adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Policy on dissemination of public information

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Group's new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on SGXNET. The Company ensures that it does not practice selective disclosure of material information. Price sensitive information is publicly released and results of the Group's financial performance are announced and/or issued within the mandatory periods.

As the Company does not have a dedicated investor relations team, efforts by the Company in its engagement with investors (both present and prospective) is undertaken by the Managing Director and supported by the Group Financial Controller. Such investor relations engagement efforts may include meetings with investors or visits to the Group's plants or other places of operations.

The Notice of the AGM is advertised in the local press. All shareholders of the Company will receive a copy of the Annual Report and the Notice of AGM. Under the Constitution, a shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50, of Singapore (the "**Companies Act**")) may vote in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder of the Company. With effect from 3 January 2016, the Companies Act provides that a relevant intermediary (as defined in Section 181 of the Companies Act) (such as a corporation, person or the Central Provident Fund Board that provide nominee or custodial services) may appoint more than two proxies in relation to a meeting to exercise all or any of his rights to attend and to speak and vote at the meeting.

At the AGM, shareholders are given opportunities to express their views and ask the Board and Management questions regarding the operations of the Group. The Chairmen of the AC, RC and NC will normally be present at the AGM to answer any questions relating to the work of their respective committees. The external auditors are also present to assist the Directors in addressing any relevant queries on the financial statements from the shareholders.

Shareholders are given opportunities to participate effectively and to vote at the AGM and general meetings. At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings will be made available to shareholders upon their request after the general meeting.

Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.asiatic.com.sg.

Dividend policy

The Company does not have a fixed dividend policy. Dividend decisions are subject to review of the Group's financial performance, projected future capital needs and working capital requirements.

Taking into consideration the Group's working capital requirements and funds which may be required for the Group to embark on any potential projects to be identified from time to time, no dividend has been proposed by the Board in respect of FY2016.

(E) DEALING IN SECURITIES

The Company has put in place an internal code on dealings with securities in accordance with Rule 1204(19) of the Catalist Rules, which has been issued to all Directors and employees, setting up the implications on insider trading. The internal code prohibits the dealing in securities of the Company by the listed issuer, its officers and employees whilst in possession of price-sensitive information, and during the period beginning one month before the announcement of the half yearly and annual results, and ending on the date of the announcement.

Directors are required to report securities dealings to the Company Secretary who will assist to make the required announcements. In addition, Directors and employees are reminded to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

(F) INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are reviewed and approved by the AC, and are conducted at arm's length basis. Save for the corporate secretarial support services rendered by Van Der Broeck's Consultancy Pte. Ltd., a corporation associated with Mr Seah Hai Yang, a Director of the Company, amounting to S$21,990/- in FY2016, (which the Board opined as immaterial and that the charges were per the mandate agreed prior to his appointment as a director), there were no interested person transactions during the year under review for disclosure pursuant to Rule 907 of the Catalist Rules. Mr Seah Hai Yang had abstained from the deliberations and review regarding the aforesaid transaction.

(G) MATERIAL CONTRACTS

There is no material contract entered into between the Company and its subsidiaries involving the interests of the Managing Director, any Director or controlling shareholder of the Company which are either still subsisting at the end of FY2016 or if not then subsisting, entered into since the end of the previous financial year.

(H) NON-SPONSOR FEES (RULE 1204(21))

In FY2016, the Company paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd., non-sponsor fees of S$5,000.

(I) USE OF PROCEEDS (RULE 1204(5)(F) AND (22))

As announced by the Company on 26 May 2016, the proceeds raised from the rights cum warrants issue which was undertaken by the Company in 2013 have been fully utilised as follows:

	S$'000
Net proceeds from the rights issue	11,799
Net proceeds from the warrant conversion	10,752
	22,551
Use of proceeds:	
Current energy project	20,700
Working capital purposes	1,851
Balance	–

The above utilisation is largely in line with the intended use as stated in the Company's announcement dated 28 May 2013 in respect of the rights cum warrants issue.

DIRECTORS' STATEMENT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Asiatic Group (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2016.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year then ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due on the assumption that, as stated in Note 2.2 to the financial statements, the Group will be able to generate positive cash flows from operations and receive continued financial support from banks for a period of 12 months from the date these financial statements were approved.

Directors

The directors of the Company in office at the date of this report are:

Tay Kah Chye
Tan Boon Kheng
Tan Boon Yew
Tan Boon Siang
Liew Ah Choy
Seah Hai Yang
Lee Fang Wen (Appointed on 1 April 2016)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Tan Boon Kheng	106,656,004	106,656,004	–	–
Tan Boon Yew	60,336,000	60,336,000	–	–
Tan Boon Siang	62,872,000	62,872,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related companies, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options and performance shares

Asiatic Share Option Scheme

The Asiatic Share Option Scheme (the "Scheme") was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 25 July 2008. The Scheme is administered by the members of the Remuneration Committee (the "Committee"). Under the Scheme, selected employees and directors of the Group are eligible to participate at the discretion of the Committee. Controlling Shareholders and their associates (as defined in the Listing Manual of the SGX-ST Section B: Rules of the Catalist of the SGX-ST (the "Catalist Rules") shall not participate in the Scheme. The other information regarding the Scheme is disclosed in Note 27 to the financial statements.

Since the commencement of the Scheme and for FY2016, no options have been granted. There were no unissued shares of the Company under option as at the end of the financial year.

There were also no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

Asiatic Performance Share Plan

The Asiatic Performance Share Plan (the "Plan") was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 15 August 2013. The Plan is administered by the members of the Remuneration Committee (the "Committee"). Under the Plan, all Group employees including Controlling Shareholders and their associates are eligible to participate at the discretion of the Committee. The other information regarding the Plan is disclosed in Note 27 to the financial statements.

No share has been awarded to any directors or participants who are controlling shareholders and their associates under the Plan since adoption and for FY2016.

No shares has been awarded to any directors or participants who are controlling shareholders and their associates, which, in aggregate, represent five per centum (5%) or more of the aggregate number of new shares available under the Plan and as such, no vesting of shares has taken place.

Audit Committee ("AC")

The AC carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- reviewed the financial and operating results and accounting policies of the Group;
- reviewed with the external auditors the audit plan and their evaluation of the system of internal accounting controls and monitor Management's response and actions to correct any noted deficiencies;
- reviewed the internal audit plan and findings of the internal auditors;
- evaluated the effectiveness of both the internal and external audit efforts through regular meetings;
- determined that no unwarranted management restrictions are being placed upon either the internal or external auditors;
- reviewed the financial statements with Management and external auditors for submission to the Board;
- reviewed Interested Person Transactions;
- reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- recommended to the Board the appointment, or re-appointment and removal of the external auditors;
- reviewed the interim and annual announcements of financial results of the Group before submission to the Board for approval;
- met with the external auditors without the presence of the Company's Management, at least annually; and
- reviewed the independence of the external auditors annually.

The AC, having reviewed and noted that there were no non-audit services provided by the external auditors to the Group, is satisfied that the independence of the external auditors is not affected. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors

Tay Kah Chye Director	Tan Boon Kheng Director

Singapore
7 July 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIATIC GROUP (HOLDINGS) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Asiatic Group (Holdings) Limited (the Company) and its subsidiaries (collectively, the Group) set out on pages 38 to 93, which comprise the balance sheets of the Group and the Company as at 31 March 2016, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.2 to the financial statements. The Group's current liabilities exceeded its current assets by S$8.11 million. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the Group's ability to generate positive cash flows from operations and receive continued financial support from banks. If the Group is unable to continue in operational existence for the foreseeable future, the Group 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 in the consolidated balance sheet. In addition, the Group may have to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
7 July 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 $'000	2015 $'000
Revenue			
Sale of goods		13,624	12,909
Sale of services		23,140	22,334
Construction revenue		–	4,129
		36,764	39,372
Other income	4	490	386
Costs and expenses			
Cost of sales		(22,125)	(25,354)
Foreign exchange gain		270	1,082
Staff costs		(5,693)	(5,950)
Depreciation of property, plant and equipment	9	(3,989)	(3,708)
Other operating expenses		(2,956)	(3,115)
Share of results of associates	11	(1,322)	(1,095)
Profit from operating activities	5	1,439	1,618
Finance costs	6	(950)	(974)
Profit before tax		489	644
Income tax expense	7	(74)	(185)
Profit for the year		415	459
Attributable to:			
Owners of the Company		265	408
Non-controlling interest		150	51
		415	459
Earnings per share (cent per share)			
Basic	8	0.02	0.04
Diluted	8	0.02	0.03

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	2016 $'000	2015 $'000
Profit for the year	415	459
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	(1,278)	1,838
Fair value changes on available-for-sale investments	(44)	–
Share of other comprehensive income of associate	127	–
Other comprehensive income for the year, net of tax	(1,195)	1,838
Total comprehensive income for the year	(780)	2,297
Attributable to:		
Owners of the Company	(822)	1,901
Non-controlling interest	42	396
Total comprehensive income for the year	(780)	2,297

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	9	65,237	74,573	6	22
Investment in subsidiaries	10	–	–	38,133	38,133
Investment in associates	11	546	4,880	–	–
Goodwill	12	175	175	–	–
Other investments	13	8,801	9,048	–	–
		74,759	88,676	38,139	38,155
Current assets					
Inventories	14	3,902	3,730	–	–
Trade receivables	15	6,754	6,026	–	–
Other receivables	16	1,127	642	–	–
Prepayments		1,327	1,319	7	15
Construction in progress	22	4,298	1,513	–	–
Amounts due from subsidiaries	17	–	–	27,290	25,428
Amounts due from associates	18	13,318	8,631	–	–
Cash and short-term deposits	19	4,906	4,705	37	68
		35,632	26,566	27,334	25,511
Current liabilities					
Trade payables	20	6,087	8,221	–	–
Other payables and accruals	21	3,258	2,092	530	659
Amounts due to subsidiaries	17	–	–	7,330	7,030
Hire purchase creditors	23	33	2	–	–
Loans and borrowings	24	33,927	27,999	4,000	–
Provision for taxation		437	573	–	–
		43,742	38,887	11,860	7,689
Net current (liabilities)/ assets		(8,110)	(12,321)	15,474	17,822

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group		Company	
		2016	2015	2016	2015
		$'000	$'000	$'000	$'000
Non-current liabilities					
Amount due to a related company	25	(3,688)	(3,711)	–	–
Hire purchase creditors	23	(93)	(4)	–	–
Loans and borrowings	24	(487)	(11,539)	–	(4,000)
Deferred tax liabilities	26	(47)	(47)	–	–
Net assets		62,334	61,054	53,613	51,977
Equity attributable to owners of the Company					
Share capital	27	46,757	44,645	46,757	44,645
Revenue reserve		13,118	13,383	6,856	7,332
Foreign currency translation reserve	28	(3,163)	(2,120)	–	–
Fair value reserve	29	(44)	–	–	–
		56,668	55,908	53,613	51,977
Non-controlling interests		5,666	5,146	–	–
Total equity		62,334	61,054	53,613	51,977

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Group 2016	Share capital (Note 27) $'000	Revenue reserve $'000	Foreign currency translation reserve (Note 28) $'000	Fair value reserve (Note 29) $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to equity holders of the Company						
Opening balance at 1 April 2015	44,645	13,383	(2,120)	–	55,908	5,146	61,054
Profit for the year	–	265	–	–	265	150	415
Other comprehensive income							
Foreign currency translation	–	–	(1,170)	–	(1,170)	(108)	(1,278)
Fair value changes of available-for-sale investment	–	–	–	(44)	(44)	–	(44)
Share of other comprehensive income of associate	–	–	127	–	127	–	127
Total comprehensive income for the year	–	265	(1,043)	(44)	(822)	42	(780)
Contributions by and distributions to owners							
Issuance of shares	2,112	–	–	–	2,112	–	2,112
Dividends (Note 37)	–	(530)	–	–	(530)	–	(530)
Total contributions by and distributions to owners	2,112	(530)	–	–	1,582	–	1,582
Contributions by non-controlling interests							
Capital contribution by non-controlling interest	–	–	–	–	–	478	478
Total contributions by and distributions to owners	–	–	–	–	–	478	478
Closing balance at 31 March 2016	46,757	13,118	(3,163)	(44)	56,668	5,666	62,334

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Group 2015	Attributable to equity holders of the Company					
	Share capital (Note 27) $'000	Revenue reserve $'000	Foreign currency translation reserve (Note 28) $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Opening balance at 1 April 2014	40,862	13,573	(3,613)	50,822	4,853	55,675
Profit for the year	–	408	–	408	51	459
Other comprehensive income						
Foreign currency translation	–	–	1,493	1,493	345	1,838
Total comprehensive income for the year	–	408	1,493	1,901	396	2,297
Contributions by and distributions to owners						
Issuance of shares	3,783	–	–	3,783	–	3,783
Dividends (Note 37)	–	(598)	–	(598)	(103)	(701)
Total contributions by and distributions to owners	3,783	(598)	–	3,185	(103)	3,082
Closing balance at 31 March 2015	44,645	13,383	(2,120)	55,908	5,146	61,054

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Company	Share capital (Note 27) $'000	Revenue reserve $'000	Total equity $'000
Opening balance at 1 April 2015	44,645	7,332	51,977
Profit for the year, representing total comprehensive income for the year	–	54	54
Contributions by and distributions to owners			
Issuance of shares	2,112	–	2,112
Dividends (Note 37)	–	(530)	(530)
Total transactions with owners in their capacity as owners	2,112	(530)	1,582
Closing balance at 31 March 2016	46,757	6,856	53,613
Opening balance at 1 April 2014	40,862	8,113	48,975
Profit for the year, representing total comprehensive income for the year	–	(183)	(183)
Contributions by and distributions to owners			
Issuance of shares	3,783	–	3,783
Dividends (Note 37)	–	(598)	(598)
Total transactions with owners in their capacity as owners	3,783	(598)	3,185
Closing balance at 31 March 2015	44,645	7,332	51,977

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	2016 $'000	2015 $'000
Operating activities		
Profit before tax	489	644
Adjustments for:		
Depreciation of property, plant and equipment	3,989	3,708
Interest expense	950	974
Gain on disposal of property, plant and equipment	–	(6)
Allowance of doubtful debts	70	91
Write back of allowance of doubtful debts	(42)	(148)
Interest income	(5)	(3)
Gain on disposal of investment in associate	(25)	–
Currency alignment	432	(3,619)
Share of results of associates	1,322	1,095
Operating cash flows before changes in working capital	7,180	2,736
Changes in working capital		
(Increase)/decrease in inventories	(172)	60
(Increase)/decrease in trade and other receivables	(801)	8,860
Increase in amount due from associates	(2,437)	(1,310)
Decrease in trade and other payables	(971)	(296)
Increase in construction in progress	(359)	(6,200)
Cash flows generated from operations	2,440	3,850
Interest received	5	3
Interest paid	(944)	(974)
Income taxes paid	(210)	(44)
Net cash flows generated from operating activities	1,291	2,835
Investing activities		
Purchases of property, plant and equipment (Note 9)	(279)	(237)
Proceeds from disposal of property, plant and equipment	–	403
Purchase of investment	(205)	(5,908)
Proceeds from sale of investment in associate	3,003	–
Net cash flows generated from/(used in) investing activities	2,519	(5,742)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	2016 $'000	2015 $'000
Financing activities		
Net proceeds from issuance of shares	2,112	3,783
Repayment of trust receipts and short-term borrowings	(2,655)	(98)
Repayment of interest bearing term loans	(2,819)	(1,494)
Decrease/(increase) in fixed deposits pledged	309	(2,752)
Repayment under hire-purchase contracts	(15)	(6)
(Decrease)/increase in amount due to related parties	(23)	2,074
Dividend paid on ordinary shares	(530)	(598)
Dividend paid to minority interest	–	(103)
Net cash flows (used in)/ generated from financing activities	(3,621)	806
Net increase/(decrease) in cash and cash equivalents	189	(2,101)
Effect of exchange rate changes on cash and cash equivalents	(30)	140
Cash and cash equivalents at beginning at 1 April	111	2,072
Cash and cash equivalents at 31 March (Note 19)	270	111

The accompanying accounting policies and explanatory notes form an integral part of the 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 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. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The Group mainly operates in Singapore, Cambodia, Vietnam and Malaysia.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 Fundamental accounting concept

As at 31 March 2016, the Group's current liabilities exceeded its current assets by S$8.11 million (2015: S$12.32 million). This condition indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In the opinion of the directors, the Group is able to continue as a going concern despite its net current liabilities position as the directors are of the view that the Group will be able to generate positive cash flows from operations and receive continued financial support from banks for a period of 12 months from the date these financial statements were approved.

If the Group is unable to continue in operational existence for the foreseeable future, the Group 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 in the consolidated balance sheet. In addition, the Group may have to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2. Summary of significant accounting policies (cont'd)

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.4 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 41: Agriculture Bearer Plants	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 111: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2015)	
Amendments to FRS 105: Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
Amendments to FRS 107: Financial Instruments: Disclosures	1 January 2016
Amendments to FRS 19: Employee Benefits	1 January 2016
Amendments to FRS 7: Disclosure Initiative	1 January 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115: Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109: Financial Instruments	1 January 2018
FRS 116: Leases	1 January 2019

Except for FRS 115, amendments to FRS 115, FRS 109 and FRS 116, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS is described below.

FRS 115 *Revenue from Contracts with Customers* and amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers* and amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers (cont'd)*

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and its amendments and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 *Leases*

FRS 116 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at each balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at each balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of each balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Factory buildings	-	60 years
Motor vehicles	-	5 years
Office equipment, computers, furniture and fittings	-	3 to 10 years
Plant and machinery	-	5 years
Renovations	-	3 to 5 years

Power plant related assets are depreciated on a reducing balance basis over the estimated useful lives to a range between 10 to 50 years.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets (cont'd)

Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

2.10 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.12 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

2. Summary of significant accounting policies (cont'd)

2.14 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

2. Summary of significant accounting policies (cont'd)

2.16 Construction contracts (cont'd)

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date to the estimated costs to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they can be reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2. Summary of significant accounting policies (cont'd)

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Employee benefits

Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.23 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (cont'd)

2.24 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from rendering of services are recognised by reference to the stage of completion at the end of the balance sheet date. During the year, the Group's sales of service were generated from its power system project and maintenance services performed on its fire-fighting equipment.

(c) Construction revenue

Construction revenue is recognised according to the accounting policy in Note 2.16.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income arising from operating leases on equipment is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the balance sheet date, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.25 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.25 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issuance expense

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(ii) Going concern assumption

As at 31 March 2016, the Group's current liabilities exceeded its current assets by S$8.11 million (2015: S$12.32 million). Directors have prepared the consolidated financial statements on a going concern basis as they expect the Group to be able to generate positive operating cash flows and receive continued financial support from the banks. This will enable the Group to pay its debts as and when they fall due. In making the going concern assessment, judgment is involved in determining some of the assumptions used in the cash flow projections, which includes among other factors, the electricity rate, future market outlook and projected energy consumption rate in coming years.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Income taxes (cont'd)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward amounting to $18,994,000 (2015: $18,553,000). These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiary has neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by $3,757,000 (2015: $3,669,000).

The carrying amount of the Group tax payable and deferred taxation at 31 March 2016 were $437,000 (2015: $573,000) and $47,000 (2015: $47,000) respectively.

(ii) Impairment of investment in subsidiaries

The Company assesses at the end of each balance sheet date whether there is an indication that the investment in subsidiaries may be impaired. Impairment test are performed by management when there are indications of impairment. This will require an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Company to make an estimation of the future expected cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries at 31 March 2016 was $38,133,000 (2015: $38,133,000).

(iii) Useful lives and residual value of power plant related assets

The cost of power plant related assets is depreciated on a reducing balance basis over their estimated useful lives. Management estimates the useful lives of these power plants related assets to be within 10 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's power plants assets at the end of each balance sheet date is disclosed in Note 9 to the financial statements.

(iv) Impairment of property, plant and equipment

The Company assesses at the end of each balance sheet date whether there is an indication that property, plant and equipment may be impaired. Impairment test are performed by management when there are indications of impairment. This will require an estimation of the value in use of the cash-generating units or the market value of the relevant assets. Estimating the value in use requires the Group to make an estimation of the future expected cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 March 2016, there is no impairment of property, plant and equipment in the Group's account. The carrying amount of the Group's property, plant and equipment at 31 March 2016 was $65,237,000 (2015: $74,573,000).

4. Other income

	Group 2016 $'000	Group 2015 $'000
Interest income	5	3
Special employment credit	76	89
SME cash grants	5	4
Sale of sludge and scrap metals	–	1
Gain on disposal of property, plant and equipment	–	6
Gain on disposal of associate	25	–
Others	379	283
	490	386

5. Profit from operating activities

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

	Group 2016 $'000	Group 2015 $'000
Audit fees payable to:		
- Auditors of the Company	(99)	(97)
- Other auditors	(20)	(8)
Allowance of doubtful debts (Note 15)	(70)	(91)
Write back of allowance of doubtful debts (Note 15)	42	148
Contributions to defined contribution plans	(318)	(331)
Insurance	(290)	(272)
Inventories recognised as an expense in cost of sales (Note 14)	(13,150)	(12,486)
Legal fees	(116)	(90)
Other operating expenses:		
- Rental	(130)	(152)
- Travelling and transportation	(206)	(161)

6. Finance costs

	Group 2016 $'000	Group 2015 $'000
Interest expense on:		
- Bank interest	(947)	(973)
- Hire purchase	(3)	(1)
	(950)	(974)

7. Income tax expense

The component of taxation for the financial years ended 31 March 2016 and 2015 are:

	Group	
	2016	**2015**
	$'000	**$'000**
Statement of comprehensive income		
Current taxation	229	185
Overprovision in respect of previous years	(155)	–
Tax expense recognised in profit or loss	74	185

Reconciliation of the statutory tax rate to the effective tax rate applicable to profit before tax for the financial years ended 31 March 2016 and 2015 are as follows:

	Group	
	2016	**2015**
	%	**%**
Statutory tax rate	17.0	17.0
Tax effect on:		
Effect of different tax rates in foreign countries	–	(4.1)
Income not subjected to tax	(28.9)	(41.4)
Expenses that are not deductible for tax purposes	59.5	25.7
Effect of partial tax exemption and tax relief	(10.2)	(7.9)
Deferred tax not recognised	16.2	36.4
Utilisation of previously deferred tax not recognised	(6.6)	(0.1)
Overprovision in respect of previous years	(31.9)	–
Others	–	(0.2)
Effective tax rate	15.1	25.4

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

As at 31 March 2016, the Group has tax losses of approximately $18,994,000 (2015: $18,553,000) that are available for offset against future taxable profit of the companies in which the losses arose. The resulting deferred tax asset of $3,757,000 (2015: $3,669,000) are not recognised due to uncertainty of its recoverability. The use of these unutilised tax losses subject to the agreement of the tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the companies operate and there is no expiry date on the utilisation of such tax losses and capital allowances for offset against future taxable profits, except for amounts of $17,607,000 (2015: $17,155,000) which will expire over financial years 2017 to 2022.

8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

8. Earnings per share (cont'd)

The following reflects the profit and loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2016 $'000	2015 $'000
Profit for the year attributable to owners of the Company	265	408
	No. of shares	
	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	1,274,939	1,121,449
Effects of dilution:		
Warrants	–	206,863
Weighted average number of ordinary shares for diluted earnings per share computation*	1,274,939	1,328,312

* The weighted average number of shares takes into account the weighted average effect of potential common shares that may be converted during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by weighted average number of ordinary shares for basic earnings per share computation and weighted average number or ordinary shares for diluted earnings per share computation respectively. These profits and share data are presented in table above.

9. Property, plant and equipment

Group	Factory buildings $'000	Motor vehicles $'000	Office equipment, computers, furniture and fittings $'000	Plant and machinery $'000	Renovations $'000	Power plant $'000	Assets under construction $'000	Total $'000
Cost								
At 1 April 2014	4,821	915	388	149	87	84,683	7,929	98,972
Additions	–	97	49	69	22	–	–	237
Translation	–	–	–	–	–	7,701	–	7,701
Disposals	–	(28)	–	–	–	–	(397)	(425)
At 31 March 2015 and 1 April 2015	4,821	984	437	218	109	92,384	7,532	106,485
Additions	–	261	51	–	–	100	2	414
Translation	–	–	–	–	–	(1,793)	–	(1,793)
Reclassification	–	–	–	–	–	–	(4,677)	(4,677)
At 31 March 2016	4,821	1,245	488	218	109	90,691	2,857	100,429

9. Property, plant and equipment (cont'd)

Group	Factory buildings $'000	Motor vehicles $'000	Office equipment, computers, furniture and fittings $'000	Plant and machinery $'000	Renovations $'000	Power plant $'000	Assets nder construction $'000	Total $'000
Accumulated depreciation								
At 1 April 2014	1,035	658	256	76	37	23,797	–	25,859
Charge for the year	95	92	43	31	15	3,432	–	3,708
Translation	–	–	–	–	–	2,373	–	2,373
Disposals	–	(28)	–	–	–	–	–	(28)
At 31 March 2015 and 1 April 2015	1,130	722	299	107	52	29,602	–	31,912
Charge for the year	95	119	62	36	21	3,656	–	3,989
Translation	–	–	–	–	–	(709)	–	(709)
At 31 March 2016	1,225	841	361	143	73	32,549	–	35,192
Net book value								
At 31 March 2015	3,691	262	138	111	57	62,782	7,532	74,573
At 31 March 2016	3,596	404	127	75	36	58,142	2,857	65,237

Assets held under finance leases

During the financial year, the Group acquired motor vehicles with an aggregate cost of $135,000 (2015: $Nil) by means of finance leases.

The carrying amount of motor vehicles held under finance leases at the end of the financial year was $168,000 (2015: $10,000).

Leased assets are pledged as security for related finance lease liabilities.

Assets pledged as security

As at 31 March 2016, the Group's power plant and assets under construction with carrying amount of $60,999,000 (2015: $70,314,000) are subject to a first charge to secure the bank loans (Note 24).

In addition to assets held under finance leases, the Group's factory buildings with a carrying amount of $3,596,000 (2015: $3,691,000) are mortgaged to secure the Group's bank loans (Note 24).

Impairment of assets

Based on valuations performed by independent appraisers, Colliers International Consultancy & Valuation (Singapore) Private Limited and Bonna Realty Group for power plants in Cambodia in 2016, there is no impairment required for the carrying amounts of these assets.

The valuations are estimates of the amounts for which these assets could be exchanged between a knowledgeable willing buyer and seller at an arm's length transaction on the valuation date.

10. Investment in subsidiaries

	Company 2016 $'000	Company 2015 $'000
Shares, at cost	38,133	38,133

(a) ***Composition of the Group***

The subsidiaries as at 31 March are:

Name of company (Country of incorporation)	Principal activities (Place of business)	Unquoted equity shares, at cost 2016 $'000	Unquoted equity shares, at cost 2015 $'000	Proportion (%) of ownership interest 2016 %	Proportion (%) of ownership interest 2015 %
Held by the Company					
Asiatic Fire System Pte Ltd * (Singapore)	Supply, installation and maintenance of fire fighting and protection equipment (Singapore)	8,284	8,284	100	100
Colben System Pte Ltd * (Singapore)	Business of controlled power supply, engineering and procurement and construction in power generation projects and precision gear products (Singapore)	19,849	19,849	100	100
Colben Energy (Singapore) Pte Ltd * (Singapore)	Holding company for the Group's investments in energy related business in the region (Singapore)	10,000	10,000	100	100
		38,133	38,133		

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion (%) of ownership interest 2016 %	Proportion (%) of ownership interest 2015 %
Held by subsidiaries			
Colben Energy Holdings (Cambodia) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	85	85
Colben Energy Holdings (PPSEZ) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	95	95
Colben Energy Holdings (Vietnam) Ltd # (British Virgin Islands)	Investment holding company and construction of power generation facilities (British Virgin Islands)	100	100

10. Investment in subsidiaries (cont'd)

(a) *Composition of the Group (cont'd)*

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion (%) of ownership interest 2016 %	2015 %
Held by subsidiaries (cont'd)			
Colben Energy Holdings (Maju Intan) Ltd # (British Virgin Islands)	Investment holding company and construction of power generation facilities (British Virgin Islands)	100.0	100.0
Colben Energy Holdings (Kemaman) Ltd # (British Virgin Islands)	Investment holding company (British Virgin Islands)	100.0	100.0
Colben Energy (Cambodia) Limited **+ (Cambodia)	Operate power plant (Cambodia)	85.0	85.0
Colben Energy (Cambodia) PPSEZ Limited **##+ (Cambodia)	Operate power plant (Cambodia)	49.0	49.0

* Audited by Ernst & Young LLP, Singapore

** Audited by BDO (Cambodia) Ltd, Cambodia

\+ Audited by Ernst & Young LLP, Singapore for the purpose of consolidation of the Group

\# Not required to be audited by the law of its country of incorporation

\## Classified as subsidiary as the Company has effective control over the board of directors of this company

(b) *Interest in subsidiary with material non-controlling interest ("NCI")*

The Group has the following subsidiary that has NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest 2016 %	2015 %	Loss allocated to NCI during the reporting period 2016 $'000	2015 $'000	Accumulated NCI at the end of the reporting period 2016 $'000	2015 $'000
Colben Energy (Cambodia) PPSEZ Limited	Cambodia	27##	27##	57	(111)	5,631	5,648

\## Due to a shareholder loan agreement which allows the conversion of shareholder's loan into shares, the effective proportion of ownership interest held by non-controlling interest is deemed to be at 27%.

10. Investment in subsidiaries (cont'd)

(c) ***Summarised financial information about subsidiary with material NCI***

Summarised financial information including consolidation adjustment but before intercompany eliminations of subsidiaries with material non-controlling interest are as follows:

Summarised balance sheets

	Colben Energy (Cambodia) PPSEZ Limited	
	2016	**2015**
	$'000	**$'000**
Current:		
Assets	1,583	1,329
Liabilities	(41,318)	(43,827)
Net current liabilities	(39,735)	(42,498)
Non-current:		
Assets	58,019	60,873
Liabilities	(3,688)	(3,711)
Net non-current assets	54,331	57,162
Net assets	14,596	14,664
Summarised statement of comprehensive income		
Revenue	12,018	9,775
Profit/(loss) before income tax	292	(416)
Profit/(loss) after tax	213	(416)
Other comprehensive income	–	–
Total comprehensive income	213	(416)

11. Investment in associates

	Group	
	2016	**2015**
	$'000	**$'000**
Shares, at cost	3,765	6,703
Share of post-acquisition reserves	(2,698)	(1,418)
Exchange differences	(648)	(405)
Share of translation reserves	127	–
	546	4,880

11. Investment in associates (cont'd)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2016 %	2015 %
Held through subsidiaries:				
Maju Intan Biomass Energy Sdn. Bhd. *	Malaysia	Operate power plant	30	30
Kemaman Biomass Power (M) Sdn. Bhd. *	Malaysia	Operate power plant	30	30
VietHydro Pte. Ltd. **	Singapore	Developing infrastructural projects	– &	22

* Audited by Simon Khor & Co, Malaysia

** Audited by Ernst & Young LLP, Singapore

& Investment in VietHydro Pte Ltd was fully disposed on 6 November 2015.

Disposal of an associate

On 6 November 2015, the Group fully disposed its interest in VietHydro Pte. Ltd. ("VH") as a result of the agreement between Colben Energy Holdings (Vietnam) Ltd, subsidiary company and Nexif Energy Holdings B.V., a third party company. VH ceased to be an associate of the Group.

	2016 $'000
Shares, at cost	3,003
Share of post-acquisition reserve	(25)
	2,978
Sales consideration	(3,003)
Gain on disposal	(25)

Kemaman Biomass Power (M) Sdn. Bhd. is individually immaterial to the Group. Aggregate information about the Group's investments in associate that is not individually material is as follows:

	Kemaman Biomass Power (M) Sdn. Bhd. 2016 $'000	2015 $'000
Loss after tax	(80)	(5)
Other comprehensive income	–	–
Total comprehensive income	(80)	(5)
Carrying amount of the investment	– *	13

* During the year, the share of losses related to Kemaman Biomass Power (M) Sdn. Bhd. amounts to $24,000, of which $11,000 has been recognised as part of the share of results of associates in the consolidated income statement. The remaining amounts has been recognised as a liability as the Group has legal obligation towards such losses.

11. Investment in associates (cont'd)

The summarised financial information in respect of material associates Maju Intan Biomass Energy Sdn. Bhd., based on FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Maju Intan Biomass Energy Sdn. Bhd.	
	2016	**2015**
	$'000	**$'000**
Current assets	1,397	1,355
Non-current assets	49,689	55,914
Total assets	51,086	57,269
Current liabilities	16,553	18,198
Non-current liabilities	32,712	32,295
Total liabilities	49,265	50,493
Net assets	1,821	6,776
Net assets	1,821	6,776
Proportion of the Group's ownership	30%	30%
Group's share of net assets	546	2,033
Other adjustments	–	(37)
Carrying amount of the investment	546	1,996

Summarised statement of comprehensive income

	Maju Intan Biomass Energy Sdn. Bhd.	
	2016	**2015**
	$'000	**$'000**
Revenue	5,039	2,620
Loss after tax	(4,458)	(3,446)
Other comprehensive income	–	–
Total comprehensive income	(4,458)	(3,446)

12. Goodwill

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
At 1 April and 31 March	175	175	–	–

Goodwill acquired through business combinations have been allocated to cash-generating units ("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.

13. Other investments

	Group	
	2016 $'000	2015 $'000
Non-current:		
Held-to-maturity investment		
- 12% per annum convertible bonds (unquoted)	4,132	4,454
Available-for-sale investment		
- Investment in Lao Cai Renewable Energy (Vietnam) Joint Stock Company (previously known as Colben Energy (Vietnam) Joint Stock Company)	4,463	4,549
- Key-man insurance product	161	–
Exchange differences	45	45
	8,801	9,048

Convertible bonds

The Group has entered into a convertible bond agreement with the other shareholders of an associate, Maju Intan Biomass Energy Sdn. Bhd. in which the shareholders issued an aggregate principal amount of Malaysia Ringgit ("RM") 12 million 12% convertible bonds with maturity date on the twelve anniversary date of the issue date at an issue price of 100% of the principal amount of the bonds. The convertible bonds are convertible into ordinary shares of the associate and/or new ordinary shares of the issuer only on certain events of redemption such as initial public offering and insolvency of the associate. Interest is waived until the underlying project for which the proceeds of the bonds to be utilised is completed.

Investment in Lao Cai Renewable Energy (Vietnam) Joint Stock Company ("LCREJSC")

In 2014, Colben Energy Holdings (Vietnam) Ltd ("CEHV") and LCREJSC entered into a subscription agreement with Viet Hydro Pte. Ltd. ("VietHydro"), in which VietHydro subscribed to 8.4 million new shares, at VND 10,000 per share of LCREJSC. Subsequent to the subscription, the Group's interest in LCREJSC, formerly a subsidiary known as Colben Energy (Vietnam) Joint Stock Company, is diluted to 13.5% and LCREJSC has ceased to be a subsidiary of the Group. The investment in LCREJSC has been reclassified as available-for-sale investment in other investments. As the investment is unquoted, the fair value cannot be reliably measured and has been accounted for at cost.

In 2015, CEHV subscribed to 4.81 million new shares, at VND 10,000 per share of LCREJSC. The Group's interest in LCREJSC had increased from 13.5% to 15%.

14. Inventories

	Group	
	2016	2015
	$'000	$'000
Balance sheet:		
Trading stocks, at cost	3,971	3,799
Less: Allowance for stock obsolescence	(69)	(69)
	3,902	3,730
Income statement:		
Inventories recognised as an expense in cost of sales	13,150	12,486

15. Trade receivables

	Group	
	2016	2015
	$'000	$'000
Trade receivables	6,908	6,152
Less: Allowance for doubtful debts	(154)	(126)
	6,754	6,026

Trade receivables are non-interest bearing and are generally on 30 to 60-day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade debtors that are past due but not impaired

The Group has trade receivables amounting to $3,202,000 (2015: $3,026,000) that are past due at the balance sheet date but not impaired. These trade receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2016	2015
	$'000	$'000
Trade receivables past due:		
Less than 31 days	890	870
31 to 60 days	786	862
61 to 90 days	551	520
91 to 365 days	975	774
	3,202	3,026

15. Trade receivables (cont'd)

	Group – Individually impaired 2016 $'000	Group – Individually impaired 2015 $'000
Trade receivables – nominal amounts	154	126
Less: Allowance for doubtful debts	(154)	(126)
	–	–
Movement in allowance accounts:		
At 1 April	126	183
Charge for the year	70	91
Written back	(42)	(148)
At 31 March	154	126

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors who have delay in payments and indication of default on payments. These trade receivables are not secured by any collateral or credit enhancements.

Trade receivables denominated in foreign currencies at 31 March is as follows:

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
United States Dollar	2,231	1,611	–	–

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Trade receivables	6,754	6,026	–	–
Other receivables (Note 16)	1,127	642	–	–
	7,881	6,668	–	–
Amounts due from subsidiaries (Note 17)	–	–	27,290	25,428
Amounts due from associates (Note 18)	13,318	8,631	–	–
	21,199	15,299	27,290	25,428
Cash and short-term deposits (Note 19)	4,906	4,705	37	68
Total loans and receivables	26,105	20,004	27,327	25,496

16. Other receivables

	Group	
	2016	2015
	$'000	$'000
Deposits	192	197
Sundry debtors	935	445
	1,127	642

17. Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable in cash upon demand.

18. Amounts due from associates

Amounts due from associates are non-trade in nature, unsecured, interest-free and repayable in cash upon demand.

19. Cash and short-term deposits

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash at banks and on hand	2,036	1,527	37	68
Short-term deposits	2,870	3,178	–	–
Cash and short-term deposits	4,906	4,705	37	68

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three and six months, depending on the immediate cash requirement of the Group and the Company, and earn interests at the respective short-term deposit rates. The fixed deposits have effective interest rates ranging from 0.16% to 0.58% (2015: 0.30% to 3.15%) per annum. Fixed deposits amounting to $2,698,000 (2015: $3,007,000) are pledged to secure banking facilities granted to certain subsidiaries (Note 24).

Cash and short-term deposits denominated in foreign currencies at 31 March are as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
United States Dollar	1,762	1,117	–	5
Malaysia Ringgit	–	25	–	–
Euro	1	2	–	–

19. Cash and short-term deposits (cont'd)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of balance sheet date:

	Group	
	2016	2015
	$'000	$'000
Cash at banks and on hand	2,036	1,527
Short-term deposits	2,870	3,178
	4,906	4,705
Pledged short-term deposits	(2,698)	(3,007)
Bank overdrafts (Note 24)	(1,938)	(1,587)
	270	111

20. Trade payables

These amounts are non-interest bearing and are normally settled on 60-day terms.

Trade payables denominated in foreign currencies at 31 March are as follows:

	Group	
	2016	2015
	$'000	$'000
United States Dollar	4,449	7,128
Euro	374	269
Malaysia Ringgit	277	195
British Pound	49	43

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	6,087	8,221	–	–
Other payables and accruals (Note 21)	3,258	2,092	530	659
Less:				
Deferred income (Note 21)	(293)	(343)	–	–
Total trade and other payables	9,052	9,970	530	659
Amounts due to subsidiaries	–	–	7,330	7,030
Hire purchase creditors				
- Current (Note 23)	33	2	–	–
- Non-current (Note 23)	93	4	–	–
Amounts due to a related company (non-current)	3,688	3,711	–	–
Loans and borrowings				
- Current (Note 24)	33,927	27,999	4,000	–
- Non-current (Note 24)	487	11,539	–	4,000
Total financial liabilities at amortised cost	47,280	53,225	11,860	11,689

21. Other payables and accruals

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Accruals	801	1,149	367	423
Deferred income	293	343	–	–
Sundry payables	842	600	163	236
Advances from directors	1,322	–	–	–
	3,258	2,092	530	659

Advances from directors are unsecured, non-interest bearing and repayable on demand.

22. Excess of progress billing over construction in progress

	Group	
	2016	2015
	$'000	$'000
Aggregate amount of costs incurred and recognised profits to date	4,803	2,057
Less: Progress billings	(505)	(544)
	4,298	1,513
Presented as:		
Gross amount due from customers for contract work	4,298	1,513

The above relates to Teluk Intan Biomass Project in Malaysia.

23. Hire purchase creditors

The Group has finance leases for office equipment and motor vehicle and these expire over various dates till 2020.

Future lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	2016	2016	2015	2015
	$'000	$'000	$'000	$'000
Within 1 year	38	33	3	2
After 1 year but not more than 5 years	107	93	4	4
Total minimum lease payments	145	126	7	6
Less: Amounts representing finance charges	(19)	–	(1)	–
Present value of minimum payments	126	126	6	6

24. Loans and borrowings

	Maturity	Group 2016 $'000	Group 2015 $'000
Current:			
Bank overdrafts (Note 19)	On demand	1,938	1,587
Term loans from banks	FY2017	21,924	19,163
Trust receipts	FY2017	6,065	7,249
Non-convertible bonds			
- Guaranteed bonds	FY2017	1,000	–
- Non-guaranteed bonds	FY2017	3,000	–
		33,927	27,999
Non-current:			
Term loans from bank	FY2018	487	7,539
Non-convertible bonds			
- Guaranteed bonds	FY2017	–	1,000
- Non-guaranteed bonds	FY2017	–	3,000
		487	11,539
Total loans and borrowings		34,414	39,538

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 9). The average discount rate implicit in the leases is 7.17% p.a. (2015: 7.17% p.a.).

Bank overdrafts

Bank overdrafts are unsecured, bear interest at 5.25% to 5.75% (2015: 5.25% to 5.75%) per annum and repayable on demand.

Term loans from banks

Term loans from banks bear interest ranging from 2.61% to 13.50% (2015: 2.70% to 13.50%) per annum and are secured by:

(a) First fixed charge over certain property, plant and equipment (Note 9); and

(b) Corporate guarantee provided by the Company and certain subsidiaries.

Trust receipts

The trust receipts bears interest ranging from 2.00% to 8.75% (2015: 2.00% to 10.25%) per annum and are secured by fixed deposits amounting to $2,698,000 (2015: $3,007,000) (Note 19).

24. Loans and borrowings (cont'd)

Guaranteed bonds

Guaranteed bonds are non-convertible with the following principal terms:

(a) Secured by a director;

(b) Bear interest at 10% per annum, which is payable semi-annually in arrears;

(c) Matures on 18 March 2017 with a redemption premium of 3%; and

(d) The Company is entitled to the early redemption of the guaranteed bonds, in whole or in part, at 101.0% and 102.0% of its principal amount, on the first and second anniversary of the date of issue of the guaranteed bonds respectively.

Non-guaranteed bonds

Non-guaranteed bonds are non-convertible with the following principal terms:

(a) Bear interest at 10% per annum, which is payable semi-annually in arrears;

(b) Matures on 18 March 2017 with a redemption premium of 3%; and

(c) The Company is entitled to the early redemption of the non-guaranteed bonds, in whole or in part, at 101.0% and 102.0% of its principal amount, on the first and second anniversary of the date of issue of the non-guaranteed bonds respectively.

25. Amount due to a related company

Amount due to a related company is non-trade in nature, unsecured, interest-free and not repayable within 12 months from the date of issue of these financial statements.

26. Deferred tax liabilities

Deferred tax liabilities as at 31 March relates to the following:

	Group	
	2016	**2015**
	$'000	**$'000**
Differences in depreciation for tax purposes	47	47

Unrecognised temporary differences relating to investments in subsidiaries and associates

As at 31 March 2016, there are no unrecognised temporary differences relating to investments in subsidiaries as the Group has determined that the portion of the undistributed earnings of its subsidiaries that will be distributed in the foreseeable future to be insignificant.

27. Share capital

	Group and Company			
	2016		2015	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 April	1,203,787	44,645	987,501	40,862
Issuance of ordinary shares from conversion of warrants	120,676	2,112	216,286	3,785
Issuance of ordinary shares for consultancy agreement	–	–	–	(2)
At 31 March	1,324,463	46,757	1,203,787	44,645

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Rights cum warrants issue

On 25 September 2013, the Company issued and allotted 346,032,791 Rights Shares at an issue price of S$0.035 for each Right Share and 692,065,582 free detachable warrants, each warrant carrying the right to subscribe for one(1) new ordinary share in the capital of the Company at an exercise price of S$0.0175. The warrants may be exercised at any time during the period commencing on and including the date of issue of the warrants and immediately preceding the second anniversary of the date of issue of the warrants. The warrants subscription exercise has expired in the current financial year.

As at 31 March 2016, the Company has no outstanding warrants as the warrants subscription exercise has expired.

	Expiry date	Exercise price	No. of warrants 2016	No. of warrants 2015
Warrants	25 September 2015	$0.0175	–	206,863,182

The Asiatic Performance Share Plan 2013 (the "Plan")

On 15 August 2013, the shareholders approved the Asiatic Performance Share Plan (the "Plan") at the Extraordinary General Meeting. Participation in the Plan will not restrict eligible Group employees from the existing Asiatic Share Option Scheme.

The Plan shall continue in force for a maximum period of 10 years commencing from 15 August 2013, provided always that the Plan may continue beyond the stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The information regarding the Plan is as follows:

(a) All Group employees are eligible participants of the Plan to receive Awards, which represent the right to receive fully paid shares of the Company free of charge.

27. Share capital (cont'd)

The Asiatic Performance Share Plan 2013 (the "Plan") (cont'd)

(b) The number of shares which may be vested is limited to the following:

(i) The aggregate number of shares over which Awards may be granted, when added to the number of shares issued and issuable in respect of all Awards granted under the Plan shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the Award.

(ii) The aggregate number of Shares that are available to the Controlling Shareholders (defined generally as a person who holds directly or indirectly a shareholding of 15% of more of the Company's total number of issued shares) and their Associates shall not exceed 25% of the total number of shares available under the Plan.

(iii) The number of shares that are available to each Controlling Shareholder or his Associate under the Plan shall not exceed 10% of the shares available under the Plan.

(c) The terms of the Award, including performance targets, performance period, number of shares to be vested and the date by which the Award shall be vested will be determined by the Remuneration Committee for each eligible participant.

(d) Awards will be vested by way of issue of new shares or the transfer of existing shares held as treasury shares.

From the date of approval of the Plan up to the financial year end, the Company has not granted any Awards to the employees.

The Asiatic Share Option Scheme 2008 (the "Scheme")

On 25 July 2008, the shareholders approved the Asiatic Share Option Scheme 2008 (the "Scheme") at the Extraordinary General Meeting.

The Scheme shall continue in force for a maximum period of 10 years commencing from 25 July 2008, provided always that the Scheme may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The information regarding the Scheme is as follows:

(a) The aggregate number of shares over which options may be granted, when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed 15% of the issued shares of the Company on the day preceding the grant of the option.

(b) The Scheme has two categories of options, being the Market Price Option and the Incentive Option.

(i) Under the Market Price Option, the exercise price is the average of the last dealt prices for a share as determined by reference to the daily official list published by the SGX-ST for the five (05) consecutive market days immediately preceding the date of grant, rounded up to the nearest whole cent (the "Market Price").

(ii) Under the Incentive Option, Committee has the discretion to issue option with an exercise price and set a discount not exceeding 20% of the Market Price (or such other percentage or amount as may be prescribed or permitted by the SGX-ST).

(c) The eligible grantee must accept the offer of the option within a period of not less than 15 days and not more than 30 days from the date of such offer else the offer will lapse. Upon the acceptance of the offer, the grantee shall pay to the Company the sum of S$1.00.

27. Share capital (cont'd)

The Asiatic Share Option Scheme 2008 (the "Scheme") (cont'd)

(d) A Market Price Option may be exercised during the period commencing after the 12 months period from the offer date and expiring on the tenth anniversary of such offer date. An Incentive Option can be exercised during the period after the 24 months period from the offer date and expiring on the tenth anniversary of such offer date. Option granted to the non-executive directors will expire on the fifth anniversary of such offer date.

From the date of approval of the Scheme up to the financial year end, the Company has not granted any share options to the employees.

28. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2016	**2015**
	$'000	**$'000**
At 1 April	(2,120)	(3,613)
Net effect of exchange differences arising from translation of financial statements of foreign operations	(1,170)	1,493
Share of other comprehensive income of associate	127	–
At 31 March	(3,163)	(2,120)

29. Fair value reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

30. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2016	**2015**
	$'000	**$'000**
Purchase of corporate secretarial support services from a firm related to a director	21	21

30. Related party transactions (cont'd)

(b) Directors' and executive officers' remuneration *

	Group	
	2016	2015
	$'000	$'000
Directors' remuneration	1,014	1,095
Executive officers' remuneration	809	944

* Included in the above remuneration for the Group is payment for defined contribution plans of $76,000 (2015: $71,000).

31. Directors' remuneration

The number of directors of the Company whose total remuneration from the Group falls into the following bands is as follows:

	Group	
	2016	2015
	Number of directors	Number of directors
$250,000 - $499,999	3	3
Below $250,000	3	3
Total	6	6

32. Commitments and contingencies

Operating lease commitments – as lessee

The Group has entered into leases for property that is non-cancellable.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2016 amounted to $123,000 (2015: $121,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2016	2015
	$'000	$'000
Not later than one year	207	206
Later than one year but not later than five years	689	591
Later than five years	1,511	1,531
	2,407	2,328

32. Commitments and contingencies (cont'd)

Contingent liabilities

The Company has provided corporate guarantees to banks amounting to US$10.9 million (2015: US$10.9 million), S$30.4 million (2015: S$40.7 million) and RM195.5 million (2015: RM195.5 million) to secure banking facilities granted to its subsidiaries.

33. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

<u>Excessive risk concentration</u>

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

<u>Exposure to credit risk</u>

At the end of the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets.
- A nominal amount of US$10.9 million (2015: US$10.9 million), S$30.4 million (2015: S$40.7 million) and RM195.5 million (2015: RM195.5 million) relating to a corporate guarantee provided by the Company to financial institutions on the subsidiaries' bank loans.

33. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	2016		2015	
	$'000	% of total	$'000	% of total
By country:				
Singapore	4,536	67	4,414	73
Cambodia	2,218	33	1,612	27
	6,754	100	6,026	100
By industry sectors:				
Fire fighting and protection	4,523	67	4,414	73
Power related	2,231	33	1,612	27
	6,754	100	6,026	100

As at balance sheet date, approximately 19% (2015: 10%) of the Group's trade receivables were due from 2 major customers who are located in Cambodia.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by Board of Directors. These policies, controls and limits ensure that the Group monitors and manages liquidity risk in a manner that ensures sufficient sources of funds are available over a range of market conditions.

As at 31 March 2016, the Group is in net current liabilities position of $8.11 million (2015: $12.32 million).

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Total $'000
Group			
2016			
Financial assets:			
Other investments	–	8,801	8,801
Trade and other receivables	7,881	–	7,881
Amounts due from associates	13,318	–	13,318
Cash and short-term deposits	4,906	–	4,906
Total undiscounted financial assets	26,105	8,801	34,906
Financial liabilities:			
Trade and other payables	9,052	–	9,052
Loans and borrowings	37,292	507	37,799
Hire purchase creditors	38	107	145
Amount due to a related company	–	3,688	3,688
Total undiscounted financial liabilities	46,382	4,302	50,684
Total net undiscounted financial (liabilities)/assets	(20,277)	4,311	(15,966)
2015			
Financial assets:			
Other investments	–	9,048	9,048
Trade and other receivables	6,668	–	6,668
Amounts due from associates	8,631	–	8,631
Cash and short-term deposits	4,705	–	4,705
Total undiscounted financial assets	20,004	9,048	29,052
Financial liabilities:			
Trade and other payables	9,970	–	9,970
Loans and borrowings	29,678	14,175	43,853
Hire purchase creditors	3	4	7
Amount due to a related company	–	3,711	3,711
Total undiscounted financial liabilities	39,651	17,890	57,541
Total net undiscounted financial liabilities	(19,647)	(8,842)	(28,489)

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	1 year or less $'000	1 to 5 years $'000	Total $'000
Company			
2016			
Financial assets:			
Amounts due from subsidiaries	27,290	–	27,290
Cash at banks and on hand	37	–	37
Total undiscounted financial assets	27,327	–	27,327
Financial liabilities:			
Other payables	530	–	530
Amount due to subsidiary	7,330	–	7,330
Loans and borrowings	4,972	–	4,972
Total undiscounted financial liabilities	12,832	–	12,832
Total net undiscounted financial assets	14,495	–	14,495
2015			
Financial assets:			
Amounts due from subsidiaries	25,428	–	25,428
Cash at banks and on hand	68	–	68
Total undiscounted financial assets	25,496	–	25,496
Financial liabilities:			
Other payables	659	–	659
Amount due to subsidiary	7,030	–	7,030
Loans and borrowings	440	5,469	5,909
Total undiscounted financial liabilities	8,129	5,469	13,598
Total net undiscounted financial assets/ (liabilities)	17,367	(5,469)	11,898

The table below shows the contracted expiry by maturity of the Group and Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	One year or less and total	
	2016 $'000	2015 $'000
Group		
Financial guarantees	67,320	72,560
Company		
Financial guarantees	112,410	128,226

33. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and fixed deposits. The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 75 (2015: 75) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $215,000 (2015: $227,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing loans, lower/higher interest expense on bank overdraft, higher/lower interest income from fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher vitality as in prior years.

(d) Foreign currency risk

The Group has transactional currency exposure arising from purchases that are denominated in a currency other than the functional currency of the group of companies.

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances (mainly in USD) amount to $1,588,000 (2015: $1,117,000) for the Group. The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Cambodia, Vietnam and Malaysia.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates (against SGD), with all other variables held constant.

	Group Profit before tax	
	2016	**2015**
	$'000	**$'000**
USD		
strengthened by 5% (2015: 5%)	+130	+143
weakened by 5% (2015: 5%)	-130	-143

34. Fair value of assets and liabilities

(a) Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, trade and other receivables, other investments, amounts due from/to subsidiaries, amount due from associates, trade and other payables and accruals, and loans and borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

34. Fair value of assets and liabilities (cont'd)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Amount due to a related company

Amount due to a related company has no fixed terms of repayment and are repayable only when the cash flow of the entity permits. Accordingly, the fair value of the amount is not determinable as the timing of the future cash flow arising from the balance cannot be estimated reliably.

(c) Financial instruments carried at other than fair value

Hire purchase creditors

As the carrying value of hire purchase creditors is not material, management has not disclosed the fair value (Note 23).

35. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 31 March 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 75%. The Group includes within net debt, loans and borrowings and hire purchase creditors. Capital includes equity attributable to the owners of the Company and non-controlling interest.

	Group	
	2016	**2015**
	$'000	**$'000**
Loans and borrowings (Note 24)	34,414	39,538
Trade and other payables (Note 20)	9,345	10,313
Hire purchase creditors (Note 23)	126	6
Amount due to a related company	3,688	3,711
Less: Cash and short-term deposits	(4,906)	(4,705)
Net debt	42,667	48,863
Total equity	62,334	61,054
Capital and net debt	105,001	109,917
Gearing ratio	40.6%	44.5%

36. Segment information

(a) Business segment

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

(i) Fire fighting and protection

Supply, installation and maintenance of fire fighting and protection equipment

(ii) Power related

Power generation and distribution of controlled power supply and equipment

	Fire-fighting		Power-related		Adjustments and eliminations		Note	Per consolidated financial statements	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000		2016 $'000	2015 $'000
Revenue	15,876	16,385	20,888	22,987	–	–		36,764	39,372
Results:									
Other income	220	221	292	187	(22)	(22)	A	490	386
Interest income	–	–	5	3	–	–		5	3
Allowance for doubtful debt, net	(70)	(57)	–	–	–	–		(70)	(57)
Depreciation of property plant and equipment	(310)	(276)	(3,679)	(3,432)	–	–		(3,989)	(3,708)
Finance costs	(122)	(90)	(828)	(884)	–	–		(950)	(974)
Segment profit	445	522	2,316	2,191	(2,272)	(2,069)	B	489	644
Assets:									
Investment in associates	–	–	546	4,880	–	–		546	4,880
Additions to non-current assets	309	237	105	–	–	–		414	237
Segment assets	57,938	24,703	143,149	172,829	(90,696)	(82,290)	C	110,391	115,242
Segment liabilities	30,005	13,217	70,307	84,661	(52,255)	(43,690)	D	48,057	54,188

36. Segment information (cont'd)

(a) Business segment (cont'd)

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at "profit after tax" in the consolidated income statement:

	2016 $'000	2015 $'000
Share of results of associates	(1,322)	(1,095)
Finance costs	(950)	(974)
	(2,272)	(2,069)

C The following items added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2016 $'000	2015 $'000
Inter-segment assets	(90,871)	(82,459)
Elimination of inter-segment gain on disposal of property, plant and equipment	–	(6)
Goodwill	175	175
	(90,696)	(82,290)

D The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2016 $'000	2015 $'000
Inter-segment liabilities	(52,739)	(44,310)
Deferred tax liabilities	47	47
Income tax payable	437	573
	(52,255)	(43,690)

36. Segment information (cont'd)

(b) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Singapore $'000	Cambodia $'000	Other countries $'000	Group $'000
2016				
Revenues	14,263	20,658	1,843	36,764
Non-current assets	7,459	58,114	9,186	74,759
2015				
Revenues	14,998	18,857	5,517	39,372
Non-current assets	7,302	62,770	18,604	88,676

Non-current assets information presented above consist of property, plant and equipment, investment in associates, goodwill and other investments.

Information about major customers

Revenue from one major customer amount to $8,845,000 (2015: $9,859,000), arising from sales by the power related segment.

37. Dividends

	Group and Company	
	2016 $'000	2015 $'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2016: Nil cents (2015: 0.04 cents) per share	–	530

38. Authorisation of financial statements

The financial statements for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 7 July 2016.

SHAREHOLDERS' INFORMATION

AS AT 24 JUNE 2016

Issued and fully Paid-up Capital	:	S$48,434,469.75
Number of Ordinary Shares in Issue (excluding treasury shares)	:	1,324,462,688
Number of Treasury Shares held	:	Nil
Class of Shares	:	Ordinary
Voting Rights (on a poll)	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	78	5.84	2,369	0.00
100 - 1,000	109	8.16	87,553	0.01
1,001 - 10,000	183	13.70	976,093	0.07
10,001 - 1,000,000	876	65.57	150,664,415	11.38
1,000,001 AND ABOVE	90	6.73	1,172,732,258	88.54
TOTAL	**1,336**	**100.00**	**1,324,462,688**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 24 June 2016)[1]

	Name of Substantial Shareholders	Direct	%	Deemed	%
1.	Tan Boon Kheng	106,656,004	8.05	–	–
2.	Lim Boon Hock, Bernard	130,000,000	9.82	–	–
3.	Lim Chye Huat @ Bobby Lim Chye Huat	186,000,000	14.04	–	–
4.	Brian Chang Holdings (S) Pte Ltd	176,435,544	13.32	–	–
5.	Brian Chang[2]	–	–	176,435,544	13.32
6.	Tracy Chang[2]	–	–	176,435,544	13.32

Notes:

(1) Based on the total issued share capital of 1,324,462,688 ordinary shares of the Company as at 24 June 2016.

(2) By virtue of interest in Brian Chang Holdings (S) Pte Ltd.

SHAREHOLDERS' INFORMATION

AS AT 24 JUNE 2016

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	186,000,000	14.04
2	BRIAN CHANG HOLDINGS (S) PTE LTD	176,435,544	13.32
3	LIM BOON HOCK BERNARD	130,000,000	9.82
4	TAN BOON KHENG	106,656,004	8.05
5	TAN BOON SIANG	62,872,000	4.75
6	TAN AH KAN @TAN KOW LA	62,800,000	4.74
7	TAN BOON YEW	60,336,000	4.56
8	STEPHEN YEO MAH AI	55,059,100	4.16
9	TAN AH SOI	32,435,996	2.45
10	TNG BENG CHOON	24,129,800	1.82
11	LOW CHIN YEE	20,000,000	1.51
12	RAFFLES NOMINEES (PTE) LIMITED	11,471,344	0.87
13	OCBC SECURITIES PRIVATE LIMITED	11,222,910	0.85
14	PHILLIP SECURITIES PTE LTD	10,953,574	0.83
15	SIA AH KHENG	10,914,000	0.82
16	TAN BOON SAI (CHEN WENSAI)	10,299,000	0.78
17	CHUA KENG LOY	9,925,000	0.75
18	DBS NOMINEES (PRIVATE) LIMITED	8,436,766	0.64
19	YU YAN KIT ALEX	7,834,000	0.59
20	TOH TIEW KEONG	7,379,500	0.56
	TOTAL	**1,005,160,538**	**75.91**

PUBLIC FLOAT

Based on the information available to the Company as at 24 June 2016, approximately **38.25%** of the issued ordinary shares of the Company are held by the public. Accordingly the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Asiatic Group (Holdings) Limited (the "**Company**") will be held at REPUBLIC OF SINGAPORE YACHT CLUB, 52 West Coast Ferry Road, Singapore 126887 on Thursday, 28 July 2016 at 10.00 am, for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Auditors' Report thereon. **[Resolution 1]**

2. To re-elect the following Directors who are retiring pursuant to the Company's Constitution:

   a) Tan Boon Kheng (Retiring under Regulation 103) **[Resolution 2]**

   b) Mr Lee Fang Wen (Retiring under Regulation 107) **[Resolution 3]**

   Tan Boon Kheng, if re-elected, will remain as the Managing Director of the Company.

   Lee Fang Wen, if re-elected, will assume the position as the Chairman of the Nominating Committee and remain as a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

   The profiles of the above mentioned directors can be found under the section entitled "Board of Directors" in the Annual Report.

3. To note the retirement of Professor Liew Ah Choy who is retiring pursuant to the Company's Constitution.

   Professor Liew Ah Choy will not be seeking re-election and will retire at the conclusion of the Annual General Meeting on 28 July 2016. Upon the retirement of Professor Liew Ah Choy as a Director of the Company, he will cease to be an Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

4. To approve Directors' fees of S$90,000 for the financial year ended 31 March 2016 for payment. (FY2015: S$85,000) **[Resolution 4]**

5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares and /or convertible securities**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and subject to the Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to issue:

   (a) shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise;

   (b) convertible securities;

   (c) additional convertibles securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalization issues; and

   (d) shares arising from the conversion of convertible securities in (b) and (c) above, at any time during the continuance of this authority or thereafter and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than fifty per cent (50%) of the total number of issued shares (excluding treasury shares) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) and (ii) above, the percentage of the total number of issued shares (excluding treasury shares) is based on the total number of issued shares (excluding treasury shares) at the date this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options issue as at the date this Resolution is passed and any subsequent consolidation or subdivision of the Company's shares; and

(iv) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note 1] **[Resolution 6]**

7. **Authority to offer and grant options and to issue shares pursuant to the Asiatic Share Option Scheme 2008**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Asiatic Share Option Scheme 2008 (the "**Scheme**") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of options under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company on the date preceding the grant of an option.
[See Explanatory Note 2] **[Resolution 7]**

8. **Authority to allot and issue shares under the Asiatic Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter. 50 of Singapore, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Asiatic Performance Share Plan (the "**Share Plan**") and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Share Plan, provided always that the aggregate number of shares issued and issuable pursuant to vesting of awards granted under the Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under any other share incentive scheme or share plan adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) of the Company on the day preceding the date on which the award shall be granted.
[See Explanatory Note 3] **[Resolution 8]**

9. **Renewal of the Share Buyback Mandate**

   That for the purposes of the Companies Act, Chapter 50 of Singapore, and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in paragraph 4.4 of the letter to Shareholders dated 13 July 2016 (the "**Letter**"), in accordance with the terms of the Share Buyback Mandate set out in the Letter, and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
   [See Explanatory Note 4] **[Resolution 9]**

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Tan Sian Leong
Leong Chee Meng, Kenneth
Company Secretaries
Singapore, 13 July 2016

Explanatory Notes:

1. Resolution 6, if passed, will authorise and empower the Directors of the Company from the date of the above annual general meeting until the next annual general meeting to issue shares and/or convertible securities in the Company up to an amount not exceeding in aggregate one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

   For the purpose of this Resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 7, if passed, will empower the Directors to issue shares up to an amount in aggregate not exceeding fifteen per cent (15%) of the issued share capital (excluding treasury shares) of the Company on the date preceeding the grant of an option pursuant to the Asiatic Share Option Scheme 2008 which was approved at the extraordinary general meeting of the Company on 25 July 2008.

3. Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Asiatic Performance Share Plan (the "**Share Plan**") in accordance with the provisions of the Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards granted under the Share Plan subject to the maximum number of shares prescribed under the terms and conditions of the Share Plan.

   The aggregate number of ordinary shares which may be allotted and issued pursuant to the Share Plan and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) of the Company on the day preceding the date on which the award shall be granted.

4. Resolution 9, if passed, will empower the Directors of the Company effective until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price (as defined in paragraph 4.4 of the Letter).

   The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2016 are set out in greater detail in the Letter.

Notes:

1. (a) A member who is not a relevant intermediary#, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

   (b) A member who is a relevant intermediary#, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   #"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 65 Joo Koon Circle, Singapore 629078 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the Meeting unless his name appears on the Depository Register not less than seventy-two (72) hours before the time of the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"),

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
(Please see notes overleaf before completing this Form)

*I/We, ____________________ (name)

of ____________________ (address)
being a *member/members of Asiatic Group (Holdings) Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing the person, or either or both of the persons, referred to the above, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at REPUBLIC OF SINGAPORE YACHT CLUB, 52 West Coast Ferry Road, Singapore 126887, on Thursday, 28 July 2016 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(If you wish to exercise all your votes "For" or "Against", please indicate with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	For	Against
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2016		
2	Re-election of Mr Tan Boon Kheng as a Director of the Company		
3	Re-election of Mr Lee Fang Wen as a Director of the Company		
4	Approval of Directors' fees of S$90,000 for the financial year ended 31 March 2016		
5	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to allot and issue new shares and/or convertible securities		
7	Authority to offer and grant options and to issue shares pursuant to the Asiatic Share Option Scheme 2008		
8	Authority to allot and issue shares under the Asiatic Performance Share Plan		
9	Renewal of the Share Buyback Mandate		

Dated this ________ day of ____________ 2016

Total number of shares

____
Signature of Member(s) or, Common Seal
of Corporate Member
*Delete where inapplicable

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the Meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore ("CPF Act"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the Share Registrar's office of the Company at 65 Joo Koon Circle, Singapore 629078, not less than 48 hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting to vote.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2016.

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ASIATIC GROUP (HOLDINGS) LIMITED
65 JOO KOON CIRCLE
SINGAPORE 629078

Asiatic Group

65 Joo Koon Circle Singapore 629078
Tel: (65) 68630188
Fax: (65) 68979220
Email: asiatic@asiatic.com.sg
www.asiatic.com.sg