

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



Asiatic Group (Holdings) Limited and its Subsidiaries

Registration Number : 200209290R

Condensed Interim Financial Statements

For the quarter and half year ended 30 September 2022

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Condensed interim consolidated statement of profit or loss
Period Ended 30 September 2022

	Note	The Group			The Group		
		3 months	3 months	Change	6 months	6 months	Change
		ended	ended		ended	ended	
		30 Sep 2022	30 Sep 2021		30 Sep 2022	30 Sep 2021	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue							
Sale of goods	5.2	5,611	4,915	14.2	9,451	8,694	8.7
Sale of services	5.2	5,797	4,774	21.4	11,296	9,101	24.1
		11,408	9,689	17.7	20,747	17,795	16.6
Other income		10	171	-94.2	167	348	-52.0
Costs and expenses							
Cost of sales		(7,501)	(6,737)	11.3	(13,874)	(12,307)	12.7
Foreign exchange loss		(490)	(507)	-3.4	(699)	(544)	28.5
Staff costs		(1,638)	(1,461)	12.1	(3,138)	(2,857)	9.8
Depreciation of property, plant and equipment		(522)	(498)	4.8	(1,064)	(1,120)	-5.0
Depreciation of right-of-use assets		(75)	(76)	-1.3	(148)	(158)	-6.3
Write back/(impairment) of financial assets		70	164	-57.3	696	(313)	N.M.
Other operating expenses		(520)	(556)	-6.5	(1,041)	(1,079)	-3.5
Finance costs		(211)	(224)	-5.8	(456)	(427)	6.8
Profit/(loss) before tax	7.1	531	(35)	N.M.	1,190	(662)	N.M.
Income tax expense	8	(333)	(243)	37.0	(383)	(306)	25.2
Profit/(loss) for the period		198	(278)	N.M.	807	(968)	N.M.
Attributable to:							
Equity holder of the Company		172	(270)	N.M.	756	(940)	N.M.
Non controlling interest		26	(8)	N.M.	51	(28)	N.M.
		198	(278)	N.M.	807	(968)	N.M.

N.M. : Not meaningful

Condensed interim consolidated statement of other comprehensive income
Period Ended 30 September 2022

	The Group			The Group		
	3 months	3 months	Change	6 months	6 months	Change
	ended	ended		ended	ended	
Note	30 Sep 2022	30 Sep 2021		30 Sep 2022	30 Sep 2021	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(loss) for the period	198	(278)	N.M.	807	(968)	N.M.
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	1,346	986	36.51	2,349	995	136.08
Other comprehensive income for the period, net of tax	1,346	986	36.51	2,349	995	136.08
Total comprehensive income for the period	1,544	708	118.08	3,156	27	N.M.
Attributable to:						
Equity holder of the Company	1,585	712	122.61	3,240	51	N.M.
Non controlling interest	(44)	(3)	N.M.	(84)	(24)	250
	1,541	709	117.35	3,156	27	N.M.
Profit/(loss) per share (cent per share)	Cents	Cents		Cents	Cents	
Basic and diluted	0.01	(0.02)		0.05	(0.06)	

N.M. : Not meaningful

Condensed interim statements of financial position As at 30 September 2022

		The Group		The Company	
	Note	30 Sep 2022 S\$'000	31 Mar 2022 S\$'000	30 Sep 2022 S\$'000	31 Mar 2022 S\$'000
Assets					
Non-Current					
Property, plant and equipment	11	38,556	37,496	4	4
Investments in subsidiaries		—	—	24,027	23,787
Right-of-use assets		2,047	2,069	—	—
Goodwill	10	175	175	—	—
Other investments		161	161	—	—
		40,939	39,901	24,031	23,791
Current					
Assets held for sale		— *	— *	—	—
Inventories		3,942	4,073	—	—
Trade receivables		8,145	7,280	—	—
Other receivables		2,259	1,379	—	—
Prepayments		395	331	13	21
Cash and short-term deposits		1,047	3,523	63	37
		15,788	16,586	76	58
Total assets		56,727	56,487	24,107	23,849
Equity and Liabilities					
Equity					
Share capital	13	50,585	50,585	50,585	50,585
Revenue reserve		(32,970)	(33,726)	(36,630)	(36,657)
Foreign currency translation reserve		2,012	(472)	—	—
		19,627	16,387)	13,955	13,928
Non-controlling interests		4,366	4,450	—	—
Total equity		23,993	20,837	13,955	13,928
Liabilities					
Non-Current					
Loans and borrowings	12	4,812	5,785	—	—
Amount due to non-controlling interests		1,282	1,485	—	—
Lease and hire purchase liabilities		1,528	1,570	—	—
Deferred tax liabilities		120	120	—	—
		7,742	8,960	—	—

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

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

	Note	The Group		The Company	
		30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Current					
Trade payables		7,195	5,643	–	–
Other payables and accruals		4,771	4,870	1,006	565
Amounts due to subsidiaries		–	–	9,146	9,356
Loans and borrowings	12	11,835	15,170	–	–
Lease and hire purchase liabilities		275	287	–	–
Provision for taxation		916	720	–	–
		24,992	26,690	10,152	9,921
Total liabilities		32,734	35,650	10,152	9,921
Total equity and liabilities		56,727	56,487	24,107	23,849

Condensed interim statements of changes in equity
Period ended 30 September 2022

Group	Attributable to equity holders of the Company					
	Share capital (Note 13)	Revenue reserve	Foreign currency translation reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2021	50,585	(25,528)	(924)	24,133	7,162	31,295
Loss for the period	–	(940)	–	(940)	(28)	(968)
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	991	991	4	995
Total comprehensive income for the period	–	(940)	991	51	(24)	27
As at 30 September 2021	50,585	(26,468)	67	24,184	7,138	31,322
At 1 April 2022	50,585	(33,726)	(472)	16,387	4,450	20,837
Profit for the period	–	756	–	756	51	807
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	2,484	2,484	(135)	2,349
Total comprehensive income for the period	–	756	2,484	3,240	(84)	3,156
As at 30 September 2022	50,585	(32,970)	2,012	19,627	4,366	23,993

Company	Share capital (Note 13) S\$'000	Revenue reserve S\$'000	Total S\$'000
At 1 April 2021	50,585	(28,232)	22,353
Profit for the period, representing total comprehensive income for the period	–	168	168
As at 30 September 2021	50,585	(28,117)	22,468
At 1 April 2022	50,585	(36,657)	13,928
Profit for the period, representing total comprehensive income for the period	–	27	27
As at 30 September 2022	50,585	(36,630)	13,955

Condensed interim consolidated statement of cash flows
Period ended 30 September 2022

	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
Operating activities				
Profit/(Loss) before tax	531	(35)	1,190	(662)
Depreciation of property, plant and equipment	522	498	1,064	1,120
Depreciation of right-of-use assets	75	76	148	158
Interest expense	211	224	456	427
(Write back)/ impairment of financial assets	(70)	(164)	(696)	313
Loss/(gain) on disposal of property, plant and equipment	–	–	1	(1)
Interest income	–	–	–	(14)
Provision for stock obsolescence, net	–	–	1	1
Currency alignment	548	339	847	296
Operating cash flows before changes in working capital	1,817	938	3,011	1,638
Changes in working capital				
Decrease/(increase) in inventories	696	(628)	137	(632)
Increase in trade and other receivables	(633)	(736)	(642)	(382)
Decrease/(increase) in amount due from associates	69	163	692	(319)
Increase/(decrease) in trade and other payables	1,204	(78)	1,222	(718)
Cash flows generated from/(used in) operations	3,153	(341)	4,420	(413)
Interest received	–	–	–	14
Interest paid	(162)	(224)	(407)	(427)
Income tax paid	(182)	(164)	(201)	(205)
Net cash flows generated from/(used in) operating activities	2,809	(729)	3,812	(1,031)
Investing activities				
Purchase of property, plant and equipment	(262)	(226)	(325)	(302)
Purchase of right-of-use assets	–	(32)	–	(55)
Proceeds from sale of property, plant and equipment	–	5	303	6
Net cash flows used in investing activities	(262)	(253)	(22)	(351)

Condensed interim consolidated statement of cash flows (cont'd)
Period ended 30 September 2022

	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
Financing activities				
Placement of refundable deposit to associate's receiver	(1,252)	–	(1,252)	–
Proceeds from/(repayment of) trust receipts and short-term borrowings	(43)	906	(475)	905
(Repayment of)/proceeds from interest bearing term loans	(1,859)	(101)	(2,850)	(206)
Repayment of principal portion of lease and hire purchase liabilities	(139)	(115)	(229)	(219)
Decrease in pledged fixed deposits	–	–	252	–
Repayment of amount due to non-controlling interests	(142)	(128)	(281)	(222)
Advances from related parties	–	(46)	(137)	(20)
Net cash flows generated from/(used in) financing activities	(3,435)	516	(4,972)	238
Net (decrease)/increase in cash and cash equivalents	(888)	(466)	(1,182)	(1,144)
Effect of exchange rate changes on cash and cash equivalents	(25)	(14)	(51)	(14)
Cash and cash equivalents at beginning of period	1,216	(1,733)	1,536	(1,055)
Cash and cash equivalents at 30 Sep	303	(2,213)	303	(2,213)
Cash and cash equivalents consist of the following :				
Cash and short-term deposits	1,047	1,299	1,047	1,299
Add: Bank overdraft	(298)	(2,796)	(298)	(2,796)
Less: Pledged short-term deposits	(446)	(716)	(446)	(716)
	303	(2,213)	303	(2,213)

Notes to the condensed interim consolidated financial statements

1. Corporate information

Asiatic Group (Holdings) Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST). The registered office and principal place of business of the Company is located at 65 Joo Koon Circle, Singapore 629078. The principal activity of the Company is investment holding.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Group are:

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

The Group operates in Singapore, Cambodia and Malaysia.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Going concern assumption

For the period ended 30 September 2022, the Group earned a net profit after tax of S\$807,000 (30 September 2021: net loss after tax of S\$968,000). As at that date, the Group's current liabilities (which includes loan and borrowings of S\$11,835,000) exceeded the Group's current assets by S\$9,204,000 (31 March 2022: S\$10,104,000) and the Company's current liabilities exceeded the Company's current assets by S\$10,076,000 (31 March 2022: S\$9,863,000).

As disclosed in Note 14, the corporate guarantees provided by the Group and Company included a guarantee of up to RM 195.5 million given to the bank of its associate, Maju Intan Biomass Energy Sdn Bhd ("MJE"), in respect of banking facilities extended to MJE. As at 30 September 2022, the outstanding amounts owed by MJE to its bank amounted to RM85.7 million. On 19 March 2020, the Company entered into a sale and purchase agreement with Hualang Renewable Energy Sdn Bhd ("Hualang") to sell all shares in MJE and its rights in the convertible bond issued by MJE at a nominal sum of RM1. As part of the transaction, the Hualang had submitted a debt restructuring proposal to MJE's bank.

On 10 February 2021, MJE's bank informed MJE that it was unable to accede to the debt restructuring proposal submitted by Hualang and that no further utilisation of their existing facility arrangements (the "Facilities") shall be made and the same facilities were cancelled. On 8 November 2021, the Company was notified by Hualang that it is in discussion and seeking to submit an alternative debt restructuring proposal for MJE's debt obligations to MJE's bank for acceptance and approval. Accordingly, the Company wrote to MJE's bank and received a confirmation in writing from the bank that they are agreeable to withholding legal action until 31 December 2021, subject to MJE continuing to service existing instalments until 31 December 2021. On 18 January 2022, the Company had obtained further extension from MJE's bank to withhold legal action until 28 February 2022, subject to MJE continuing to service existing instalments until 28 February 2022.

3. Going concern assumption (cont'd)

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

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

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

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

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

3. Going concern assumption (cont'd)

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

Notwithstanding the above, in the opinion of the directors, the Group and the Company are able to continue as a going concern as the directors are of the view that the Group will continue to receive financial support from the banks and generate positive cash flows from its operations in the next twelve months. Furthermore, Asiatic and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE on 31 August 2022 to restructure the Repayment Amount and part of the terms of the restructuring scheme includes discharging of the corporate guarantees (Note 14) the Company had provided to MJE's bank. As at the date of this announcement, the Group had not received any update from MJE's bank on their decision on the revised debt settlement scheme submitted.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the Group and Company's balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the financial statements.

4. Seasonal operations

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

5. Segment and revenue information

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

- (i) Fire fighting and protection - Supply, installation and maintenance of firefighting and protection equipment
- (ii) Energy Services - Power generation and distribution of controlled power supply

These operating segments are reported in a manner consistent with internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments

	Firefighting		Energy Services		Total	
	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000
Revenue from external parties	6,302	5,591	5,105	4,098	11,408	9,689
Other income	9	155	1	16	10	171
Total revenue and other income	6,311	5,746	5,106	4,114	11,418	9,860
Reversal of impairment of financial asset	1	1	69	163	70	164
Depreciation of property, plant and equipment	(107)	(97)	(415)	(401)	(522)	(498)
Finance costs	(33)	(44)	(178)	(180)	(211)	(224)
Segment profit/(loss)	1,170	757	(428)	(567)	742	190
Unallocated expenses					(211)	(224)
Profit/(loss) before taxation					531	(34)
Income tax expense					(333)	(243)
Profit/(loss) for the period					198	(277)

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments (cont'd)

	Fire-fighting		Energy Services		Total	
	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
Revenue from external parties	10,901	9,918	9,845	7,877	20,747	17,795
Other income	166	318	1	30	167	348
Total revenue and other income	11,067	10,236	9,846	7,907	20,914	18,143
Reversal of impairment/(impairment) of financial asset	4	6	692	(319)	696	(313)
Depreciation of property, plant and equipment	(205)	(184)	(859)	(936)	(1,064)	(1,120)
Finance costs	(82)	(85)	(374)	(342)	(456)	(427)
Segment profit/(loss)	1,714	1,238	(68)	(1,472)	1,646	(234)
Unallocated expenses					(456)	(427)
Profit/(loss) before taxation					1,190	(661)
Income tax expense					(383)	(306)
Profit/(loss) for the period					807	(967)

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

	Firefighting		Energy Services		Total	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	32,543	29,932	41,544	53,143	74,087	83,075
Inter-segment assets					(17,615)	(14,200)
Goodwill					175	175
Unallocated assets					80	66
Total assets per statement of financial position					56,727	69,116
Additions to property, plant and equipment	325	302	–	–	325	302
Additions to right-of-use assets	126	55	–	–	126	55
Expenditures for segment non-current assets	451	357	–	–	451	357
Segment liabilities	17,742	17,381	59,120	58,832	76,862	76,213
Inter-segment liabilities					(46,170)	(40,997)
Income tax payables					916	630
Deferred tax liabilities					120	1,402
Unallocated liabilities					1,006	546
Total liabilities per statement of financial position					32,734	37,794

5.2. Disaggregation of revenue

	The Group			
	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
Types of goods or services:				
- Sales of goods	5,611	4,915	9,451	8,694
- Sales of services	5,797	4,774	11,296	9,101
	11,408	9,689	20,747	17,795
Geographical information:				
- Singapore	5,944	5,420	9,875	9,093
- Cambodia	5,106	4,097	9,846	7,870
- Other countries	358	172	1,026	832
	11,408	9,689	20,747	17,795

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 September 2022 and 31 March 2022:

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 September 2022							
Financial assets							
Other investments	–	161	161	–	–	161	161
Assets held for sale	–	– *	– *	–	–	– *	– *
Trade and other receivables *	9,950	–	9,950				
Cash and short-term deposits	1,047	–	1,047				
	10,997	161	11,158				
Financial liabilities							
Trade and other payables ^	(10,094)	–	(10,094)				
Loans and borrowings	(16,647)	–	(16,647)	–	–	(16,647)	(16,647)
Lease and hire purchase liabilities	(1,803)	–	(1,803)	–	–	(1,803)	(1,803)
Amount due to non-controlling interests	(1,282)	–	(1,282)				
	(29,826)	–	(29,826)				

* Excludes advances to supplier and GST receivables

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

6. Financial assets and financial liabilities (cont'd)

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2022							
Financial assets							
Other investments	—	161	161	—	—	161	161
Assets held for sale	—	— *	— *	—	—	— *	— *
Trade and other receivables *	7,995	—	7,995				
Cash and short-term deposits	3,523	—	3,523				
	11,518	161	11,679				
Financial liabilities							
Trade and other payables ^	(9,800)	—	(9,800)				
Loans and borrowings	(20,955)	—	(20,955)	—	—	(20,955)	(20,955)
Lease and hire purchase liabilities	(1,857)	—	(1,857)	—	—	(1,857)	(1,857)
Amount due to non-controlling interests	(1,485)	—	(1,485)				
	(34,097)	—	(34,097)				

* Excludes advances to supplier and GST receivables

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

6. Financial assets and financial liabilities (cont'd)

	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company							
30 September 2022							
Financial assets							
Cash and short-term deposits	63	–	63				
Financial liabilities							
Other payables and accruals *	(990)	–	(990)				
31 March 2022							
Financial assets							
Cash and short-term deposits	37	–	37				
Financial liabilities							
Other payables and accruals *	(542)	–	(542)				

* Excludes GST payables

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7. Profit/(loss) before taxation

7.1 Significant items

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

	The Group			
	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
(Write back of)/impairment of financial assets	(70)	(164)	(696)	313
Contributions to defined contribution plans	100	97	198	193
Insurance	31	74	93	123
Inventories recognised as an expense in cost of sales	2,959	3,224	5,281	5,493
Legal fees	13	78	19	189
Travelling and transportation	26	29	48	51
Audit fees	53	34	68	68

7.2 Related party transactions

	The Group			
	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
<u>Sale and purchase of goods and services</u>				
Purchase of goods from a firm related to a director	55	41	97	63
Sale of goods to a firm related to a director	62	5	92	27
<u>Directors' and executive officers' remuneration</u> *				
Directors' remuneration	158	165	317	338
Executive officers' remuneration	111	106	223	213

* Included in the above remuneration for the Group is payment for defined contribution plans of S\$10,000 and S\$20,000 for the 3 months and 6 months ended 30 September 2022 respectively (3 months and 6 months ended 30 September 2021: S\$4,000 and S\$17,000 respectively)

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2021 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2021 S\$'000
Current income tax expense	333	205	383	235
Deferred income tax expense relating to origination and reversal of temporary differences	–	38	–	71
	333	243	383	306

9. Net asset value

	The Group		The Company	
	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore cents)	1.2	1.7	0.9	1.4

The net asset value per ordinary share as at 30 September 2022 is calculated based on 1,556,462,688 (31 March 2022: 1,556,462,688) ordinary shares in issue (excluding treasury shares).

10. Goodwill

	The Group	
	30 Sep 2022	31 Mar 2022
Goodwill	175	175

Goodwill acquired through business combinations have been allocated to cash-generating unit ("CGU"), Colben System Pte Ltd ("Colben"), a subsidiary whose principal activities are to carry on the business as distributors and representatives of controlled power supply and precision gear products.

The Board of Directors has assessed that the goodwill allocated to the CGU is not significant and accordingly an assessment of the goodwill has not been performed.

11. Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to S\$325,000 (30 September 2021: S\$302,000). There was disposal of assets amounting to S\$1,000 (30 September 2021: S\$265,000) during the six months ended 30 September 2022.

12. Loans and borrowings

	The Group	
	30 Sep 2022	31 Mar 2022
<u>Amount repayable within one year or on demand</u>		
Secured	9,372	10,657
Unsecured	2,463	4,513
<u>Amount repayable after one year</u>		
Unsecured	4,812	5,785
Total loans and borrowings	16,647	20,955

Details of collaterals

The bank borrowings and credit facilities of the Group are secured by corporate guarantee provided by the Company, first fixed charge over certain property, plant and equipment and pledged fixed deposits.

Right-of-use assets purchased under hire purchase have a carrying amount of S\$644,000 as at 30 September 2022 (31 March 2022: S\$623,000).

The Group's factory building with a carrying value of S\$2,984,000 as at 30 September 2022 (31 March 2022: S\$3,031,000) is subject to a first charge to secure the bank loans and borrowings.

The Group's fixed deposits amounting to S\$446,000 as at 30 September 2022 (31 March 2022: S\$668,000) are pledged to secure banking facilities which were granted to certain subsidiaries.

13. Share capital

	The Group and the Company			
	30 Sep 2022		31 Mar 2022	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At 30 September and 31 March	1,556,463	50,585	1,556,463	50,585

The total number of issued shares excluding treasury shares as at 30 September 2022 was 1,556,462,688 (31 March 2022: 1,556,462,688). There were no changes in the issued share capital of the Company since the last period reported on.

The Company did not hold any treasury shares and subsidiary holdings as at 30 September 2022 and 30 September 2021.

The Company did not have any outstanding options or convertibles as at 30 September 2022 and 30 September 2021.

14. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US\$1.0 million (31 March 2022: US\$2.2 million) and S\$29.4 million (31 March 2022: S\$28.8 million) have been provided by the Company to financial institutions to secure banking facilities granted to its subsidiaries. The Company had also provided a corporate guarantee of RM198.0 million (31 March 2022: RM195.5 million) to MJE's bank to secure banking facilities granted to MJE (Note 3).

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

14. Commitments and contingencies (cont'd)

Legal claims

Claims by Guan Heng Construction Sdn Bhd

Colben Energy Holdings (Maju Intan) Ltd, an indirect wholly owned subsidiary which is registered as a foreign branch in Malaysia, had on 18 March 2020 received a writ of summons to attend in the High Court of Ipoh, Perak, Malaysia from Guan Heng Construction Sdn Bhd for the recovery of their principal sum for civil & construction, piling cost, accrued interest and any other cost amounting to approximately S\$1,174,000 (equivalent to RM3,646,000). A Statement of Defence and Counterclaim has been filed by Colben Energy Holdings (Maju Intan) Ltd on 22 September 2020 to make a counterclaim against Guan Heng Construction Sdn Bhd. As at 30 September 2022, there are no further development on the claims and counterclaims filed.

15. Subsequent events

As a result of the shortening of the power purchase agreement ("**PPA**") between Colben Energy (Cambodia) Limited ("**Colben Cambodia**") and EDC, as announced by the Company on 11 February 2021 and 1 September 2021, Colben Cambodia was not able to fulfil the initial Agreement of Supply of Heavy Fuel Oil Product dated March 2019 ("**Heavy Fuel Agreement**") entered into with Kampuchea Tela Limited ("**Tela**") to fulfil the uptake of fuels until 30 April 2022, in tandem with the initial agreed expiry date under the PPA.

On 2 November 2022, Colben Cambodia received translated copies of the civil judgment issued by the Phnom Penh Court listing the following amounts or actions to be taken by Colben Cambodia and Colben System Pte. Ltd. ("**Colben System**") (as a co-defendant):

- a) Repayment of USD2,074,530.64 to Tela;
- b) To pay a penalty interest at the rate of 2% per month on the amount of USD2,074,530.64 from June 2021 until the outstanding amount is fully repaid;
- c) An order that Colben Cambodia and Colben System Pte Ltd ("**Colben System**") to pay damages, compensations, and legal service fees of USD10,000, and any claim above this amount shall be dismissed;
- d) Declare provisional execution of the above (a) of the judgment; and
- e) Litigation costs shall be borne by Colben Cambodia and Colben System.

As at the date of this announcement, the Board is of the view that as Colben System was never a party to the Heavy Fuel Agreement, it should not be named as a co-defendant in the said civil judgment. The Board is also of the view that the penalty interest was excessive given that had Tela not initiated Court ruling prohibiting EDC's bank to release money owing to Colben Cambodia by EDC, a substantial portion of the debt would have been paid; also, Tela rejected Colben Cambodia's proposal for an amicable settlement of the remaining debt.

The Board is seeking legal advice as none of the representatives from Colben Cambodia and Colben System had received any notice in writing in relation to the above civil judgment and proceedings leading to the issuance of that judgment. Shareholders should take note that the civil judgment dated 9 February 2022, which was heard on 28 January 2022, was conducted

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without any solicitors representing Colben Cambodia and Colben System in attendance. The Group's representatives were only notified of the invitation to attend the court execution proceeding on 19 September 2022.

Based on the facts presented to them as at the date of this announcement, the Board deems that this is not material to the financial position of the Group as the hearing and the issuance of civil judgment was done without the presence of Colben Cambodia or Colben System or solicitors representing them. However, if Tela were to enforce their request for the repayment of the outstanding amount in full, within a short period of time, there may be a possibility that this repayment will have a significant impact on the Group's financial position. The Board needs to have legal advice before making any other decision on the enforceability of the civil judgment no. 127 from the Phnom Penh Court dated 9 February 2022.

Details of the above update are contained in a separate announcement released by the Company on SGXNet on 14 November 2022.

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7C

1. Whether the figures have been audited, or reviewed, and in accordance with which standard or practice.

The condensed consolidated statement of financial position of Asiatic Group (Holdings) Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three and six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of a matter)

Not applicable.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern) :-

In the Group's latest audited financial statements for the financial year ended 31 March 2022 ("FY2022"), Foo Kon Tan LLP, the Group's auditors, have issued a disclaimer opinion in respect of the material uncertainties on the Group's and the Company's ability to continue as a going concern arising from (i) the inability by Management to quantify the expected credit losses (ECL) on financial guarantees extended to MJE's bank on behalf of its associate and (ii) a breach of financial covenant on its overdraft facilities in one of its subsidiaries (collectively, the "Audit Issues").

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

The Board confirms that the impact of the Audit Issues on the financial statements in relation to FY2022 have been adequately disclosed.

3. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group			
	3 months ended 30 Sep 2022	3 months ended 30 Sep 2021	6 months ended 30 Sep 2022	6 months ended 30 Sep 2021
(Singapore Cents)				
(a) Based on weighted average number of ordinary shares in issue	0.01	(0.02)	0.05	(0.06)
(b) On a fully diluted basis	0.01	(0.02)	0.05	(0.06)

The earnings/(loss) per ordinary share for the respective financial periods were calculated based on the Group's profit after taxation attributable to equity holders of the parent of S\$172,000 and S\$756,000 for the 3 months and 6 months ended 30 September 2022 respectively (Loss for the 3 months and 6 months ended 30 September 2021: S\$270,000 and S\$940,000 respectively), divided by the weighted average number of ordinary shares in issue of 1,556,462,688 as at 30 September 2022 (30 September 2021: 1,556,462,688).

The basic and diluted earnings/(loss) per ordinary share are the same for 3 months and 6 months ended 30 September 2022 and 30 September 2021 because there were no potentially dilutive ordinary securities as at 30 September 2022 and 30 September 2021 respectively.

4. Review of performance of the Group

Revenue

	6 months ended 30 Sep 2022		6 months ended 30 Sep 2021		Increase/ (Decrease)
	S\$'000	% of total revenue	S\$'000	S\$'000	% of total revenue
By business divisions					
- Firefighting and protection	10,901	52.5%	9,925	55.8%	9.8%
- Energy Services	9,846	47.5%	7,870	44.2%	25.1%
Total revenue	20,747	100.0%	17,795	100.0%	16.6%

The Group's revenue for 6 months ended 30 September 2022 increased by 16.6% from the corresponding period in 2021. The increase is mainly attributed to the recovery in the electricity demand by tenants in the Special Economic Zone power plant as compared to the 6 months ended 30 September 2021, which suffered from the Covid-19 lockdown measures implemented in Cambodia during the period. Adding on, the firefighting and protection division also saw an increase in revenue from the marine sector as a result of the recovery of the marine industry.

Profitability

Decrease in other income was mainly due to the decrease in government grants received during the 6 months ended 30 September 2022.

Cost of sales increased in line with the increase in revenue in the firefighting and protection and energy services businesses during the 6 months ended 30 September 2022. During the period, the firefighting and protection business saw an improvement in gross margin through the extensive gross margin review exercise carried out to maximise competitiveness and profitability.

Appreciation in SGD against MYR resulted in a foreign exchange loss recognised on receivables from subsidiaries that were denominated in MYR during the 6 months ended 30 September 2022.

To further boost its market competitiveness in the firefighting and protection business, the Group increased the headcount in tandem with the creation of the new technical department from July 2022 to support further expansion plans to boost its revenue in the marine and industrial sectors. This resulted in an increase in staff costs during the 6 months ended 30 September 2022.

In the 6 months ended 30 September 2022, the Group received repayment from an associate for the funding previously provided and fully impaired. The repayment resulted in a write back in the impairment previously recorded.

Due to a combination of the above factors, the Group recorded a profit after tax of S\$0.8 million during the 6 months ended 30 September 2022 as compared to a loss after tax of S\$1.0 million for the corresponding period in 2021.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$2.3 million (6 months ended 30 September 2021: foreign currency translation gain of S\$1.0 million). Higher translation gain was due to the appreciation of USD against SGD on the Cambodia entities with USD as its functional currency.

Balance Sheet

As at 30 September 2022, non-current assets increased mainly due to the translation gain on the property, plant and equipment in the Cambodia entity as a result of the appreciation of USD against SGD and purchase of new equipment to support the operations in the firefighting and protection division. The increase is partially offset by the depreciation of property, plant and equipment (S\$1.1 million) and depreciation of right-of-use assets (S\$0.1 million).

During the period, the Group had reduced its inventories to maintain it at an optimal level that is adequate to meet the demand required to fulfil projects in the firefighting and protection business. Trade receivables saw an increase mainly contributed by surge in sales in the firefighting and protection business during August and September 2022 that were not received as at 30 September 2022. Other receivables also saw an increase that was mainly due to the refundable deposit placed with the receiver of the Group's associate.

Increase in trade payables was mainly due to increase in purchases in the firefighting and protection business to support the surge in sales in August and September 2022 that remained outstanding as at 30 September 2022. Decrease in current loans and borrowings was a result of repayment of bank overdraft, trust receipts, short-term borrowings and interest bearing term loans during the period.

Non-current liabilities decreased mainly due to the reclassification of non-current portion of term loan to current. In addition, there is a decrease in amount due to non-controlling interests due to the repayment of S\$0.3 million during the period.

As at 30 September 2022, the Group had a net current liabilities position of S\$9.2 million arising from previous utilisation of short-term financing to support the Group's energy projects. The net current liabilities position had improved during the period mainly due to the repayment of term loans during the period. With respect to the Group's ability to continue as a going concern, in the opinion of the Board, the Group and the Company are able to continue as a going concern despite the conditions as stated in the Note 3 of the "Notes to the condensed interim consolidated financial statements" as:

- (a) The Board is of the view that the Group will continue to receive financial support from the banks. Subsequent to 30 September 2022, the Group has successfully rolled over approximately S\$11.5 million out of S\$11.8 million of short term loans, and has continued to fulfil its debt obligations;
- (b) The Board has reviewed the cash flows forecast prepared by Management in November 2022, and is confident that the Group will generate positive cash flows from its operations for the next 12 months with the focus and the stable performance of the Group's fire business; and

- (c) Asiatic and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE on 31 August 2022 to restructure the amount of RM122,176,395.90 and part of the terms of the restructuring scheme includes discharging of the corporate guarantees (Note 14) the Company had provided to MJE's bank. As at the date of this announcement, the Group and Lecca are still pending acceptance from MJE's bank; and
- (d) The outstanding overdraft exposure of the overdraft facilities in one of its subsidiaries after taking into account the security placed with the bank in the form of a personal fixed deposit of a director has been fully paid down as at the date of this announcement and the Company has received a confirmation letter from the bank dated 11 October 2022 that the covenant was no longer applicable. As such, the Audit Issue in relation to the breach of financial covenant has been resolved.

Based on the foregoing, the Board believes that the Group will be able to operate as a going concern and is of the view that the Group's working capital is sufficient to meet its present requirements and for the next twelve months.

Cash Flow

During the 6 months ended 30 September 2022, net cash generated from operating activities amounted to S\$3.8 million after taking into account the working capital and payment of interest and tax. Net cash inflow from operating activities was mainly contributed by an improvement in revenue resulted from the recovery in the electricity demand by tenants in the Special Economic Zone power plant and increase in sales in the firefighting and protection division. In addition, repayment of amount due from associate also contributed to the increase in operating activities.

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

The Group recorded a net cash outflow from its financing activities arising from (i) placement of refundable deposit to associate's receiver, (ii) repayment of trust receipt and short term borrowings, (iii) repayment of interest bearing term loans, (iv) repayment of lease and hire purchase liabilities, (v) repayment of amount due to non-controlling interests, and (vi) repayment to related parties. This is partially offset by decrease in pledged fixed deposits during the period. As a result, overall cash balance decreased by S\$1.2 million during the period.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

On 31 August, the Group and Lecca had submitted a revised debt settlement scheme to the Receivers of MJE to restructure the Repayment Amount and part of the terms of the restructuring scheme includes discharging of the corporate guarantee provided by the Company to MJE's bank. As at the date of the announcement, the negotiation was still ongoing.

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Depending on the results of the negotiation, this may also have an impact on the Group's balance sheet. The Company will keep shareholders apprised on the outcome of negotiation.

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

7. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not Applicable.

(d) Date Payable

Not Applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not Applicable.

8. If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision

No dividend has been recommended for the current financial period as the Group is currently in a negative revenue reserve position.

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

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

10. Additional information required pursuant to Rule 706A

There were no acquisitions or realisation of any subsidiaries or associated companies during the three-month period ended 30 September 2022.

11. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

12. Confirmation by the Directors pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three and six-month period ended 30 September 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Boon Kheng
Managing Director

Tan Boon Siang
Executive Director

Singapore

BY ORDER OF THE BOARD

Tan Boon Kheng
Managing Director

14 November 2022

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.