

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



Asiatic Group (Holdings) Limited and its Subsidiaries

Registration Number : 200209290R

Condensed Interim Financial Statements

For the quarter and half year ended 30 September 2023

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Condensed interim consolidated statement of profit or loss
Period Ended 30 September 2023

	Note	The Group			The Group		
		3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
		30 Sep 2023	30 Sep 2022	%	30 Sep 2023	30 Sep 2022	%
		S\$'000	S\$'000		S\$'000	S\$'000	
			(Restated)			(Restated)	
Revenue							
Sale of goods	5.2	4,009	5,611	-28.6	8,839	9,451	-6.5
Services rendered	5.2	6,784	5,797	17.0	13,182	11,296	16.7
		10,793	11,408	-5.4	22,021	20,747	6.1
Other income		19	10	90.0	41	167	-75.4
Costs and expenses							
Cost of sales		(7,417)	(7,501)	-1.1	(15,232)	(13,874)	9.8
Foreign exchange (loss)/gain		(63)	(490)	-87.1	128	(699)	N.M.
Staff costs		(1,672)	(1,638)	2.1	(3,335)	(3,138)	6.3
Depreciation of property, plant and equipment		(423)	(522)	-19.0	(854)	(1,064)	-19.7
Depreciation of right-of-use assets		(52)	(75)	-30.7	(105)	(148)	-29.1
(Impairment)/ write back of impairment of financial assets		(11)	70	N.M.	9	696	-98.7
Expected loss on financial guarantee provided to an associated company		(1)	–	N.M.	(160)	–	N.M.
Other operating expenses		(565)	(694)	-18.6	(1,198)	(1,388)	-13.7
Finance costs		(218)	(211)	3.3	(444)	(456)	-2.6
Profit before tax	7.1	390	357	9.2	871	843	3.3
Income tax expense	8	(64)	(333)	-80.8	(163)	(383)	-57.4
Profit for the period		326	24	N.M.	708	460	53.9
Attributable to:							
Equity holder of the Company		231	24	N.M.	522	461	13.2
Non controlling interest		95	–	N.M.	186	(1)	N.M.
		326	24	N.M.	708	460	53.9

N.M. : Not meaningful

Condensed interim consolidated statement of other comprehensive income
Period Ended 30 September 2023

Note	The Group			The Group		
	3 months ended	3 months ended	Change %	6 months ended	6 months ended	Change %
	30 Sep 2023 S\$'000	30 Sep 2022 S\$'000 (Restated)		30 Sep 2023 S\$'000	30 Sep 2022 S\$'000 (Restated)	
Profit for the period	326	24		708	460	
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	174	1,388	-87.5	688	2,373	-71
Other comprehensive income for the period, net of tax (nil)	174	1,388	-87.5	688	2,373	-71
Total comprehensive income for the period	500	1,412	-64.6	1,396	2,833	-50.7
Attributable to:						
Equity holder of the Company	413	1,467	-71.8	1,247	2,957	-57.8
Non-controlling interest	87	(55)	N.M.	149	(124)	N.M.
	500	1,412	-64.6	1,396	2,833	-50.7
	Cents	Cents		Cents	Cents	
Profit per share (cent per share)						
Basic and diluted	0.01	0.00		0.02	0.03	

N.M. : Not meaningful

**Condensed interim statements of financial position
As at 30 September 2023**

	Note	The Group		The Company	
		30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-Current					
Property, plant and equipment	11	37,676	37,645	3	3
Investments in subsidiaries		–	–	25,676	25,138
Right-of-use assets		1,844	1,928	–	–
Goodwill	10	175	175	–	–
Deferred tax assets		302	294	–	–
Other investments		161	161	–	–
		40,158	40,203	25,679	25,141
Current					
Assets held for sale		–	– *	–	–
Inventories		4,001	3,977	–	–
Trade receivables		6,625	6,081	–	–
Other receivables		1,088	1,159	–	–
Prepayments		359	403	–	46
Cash and short-term deposits		1,382	1,698	126	72
		13,455	13,318	126	118
Total assets		53,613	53,521	25,805	25,259
Equity and Liabilities					
Equity					
Share capital	13	54,842	51,047	54,842	51,047
Revenue reserve		(38,984)	(39,506)	(40,645)	(40,607)
Foreign currency translation reserve		1,585	860	–	–
Equity attributable to equity holders of the Company		17,443	12,401	14,197	10,440
Non-controlling interests		6,184	6,035	–	–
Total equity		23,627	18,436	14,197	10,440
Liabilities					
Non-Current					
Loans and borrowings	12	4,694	3,974	–	–
Lease liabilities		1,431	1,451	–	–
Deferred tax liabilities		120	120	–	–
		6,245	5,545	–	–

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

Condensed interim statements of financial position (cont'd)
As at 30 September 2023

	Note	The Group		The Company	
		30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Current					
Trade payables		6,020	6,903	–	–
Provision for contribution to financial guarantee provided to an associated company		1,505	5,052	1,505	5,052
Other payables and accruals		5,575	5,231	549	587
Amounts due to subsidiaries		–	–	9,554	9,180
Loans and borrowings	12	9,644	11,157	–	–
Lease and hire purchase liabilities		138	204	–	–
Provision for taxation		859	993	–	–
		23,741	29,540	11,608	14,819
Total liabilities		29,986	35,085	11,608	14,819
Total equity and liabilities		53,613	53,521	25,805	25,259

Condensed interim statements of changes in equity
Period ended 30 September 2023

Group	Attributable to equity holders of the Company					
	Share capital (Note 13)	Revenue reserve	Foreign currency translation reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2022 (restated)	50,585	(34,213)	(474)	15,898	5,849	21,747
Loss for the period (restated)	–	461	–	461	(1)	460
<u>Other comprehensive income</u>						
Foreign currency translation (restated)	–	–	2,496	2,496	(123)	2,373
Total comprehensive income for the period (restated)	–	461	2,496	2,957	(124)	2,833
<u>Transactions with equity holders</u>						
Distribution to non-controlling interests of subsidiary (restated)	–	–	–	–	(274)	(274)
As at 30 September 2022 (restated)	50,585	(33,752)	2,022	18,855	5,451	24,306
At 1 April 2023	51,047	(39,506)	860	12,401	6,035	18,436
Profit for the period	–	522	–	522	186	708
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	725	725	(37)	688
Total comprehensive income for the period	–	522	725	1,247	149	1,396
Issuance of ordinary shares	3,795	–	–	3,795	–	3,795
As at 30 September 2023	54,842	(38,984)	1,585	17,443	6,184	23,627

Condensed interim statements of changes in equity (cont'd)
Period ended 30 September 2023

Company	Share capital (Note 13) S\$'000	Revenue reserve S\$'000	Total S\$'000
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
At 1 April 2023	51,047	(40,607)	10,440
Profit for the period, representing total comprehensive income for the period	–	(38)	(38)
Issuance of ordinary shares	3,795	–	3,795
As at 30 September 2023	54,842	(40,645)	14,197

Condensed interim consolidated statement of cash flows
Period ended 30 September 2023

	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000 (restated)	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000 (restated)
Operating activities				
Profit before tax	390	357	871	843
Depreciation of property, plant and equipment	423	522	854	1,064
Depreciation of right-of-use assets	52	75	105	148
Interest expense	218	211	444	456
Expected loss on financial guarantee provided to an associated company	–	–	160	–
(Write back of)/impairment of financial assets	11	(62)	(9)	(688)
(Gain)/loss on disposal of property, plant and equipment	–	–	(2)	1
Gain on disposal of right-of-use assets	–	–	(9)	–
Provision for stock obsolescence	–	–	–	1
Currency alignment	(3)	553	11	838
Operating cash flows before changes in working capital	1,091	1,656	2,425	2,663
Changes in working capital				
Decrease/(increase) in inventories	149	696	(22)	137
Increase in trade and other receivables	(261)	(632)	(365)	(641)
(Increase)/decrease in amount due from associates	(8)	69	12	692
Increase/(decrease) in trade and other payables	668	1,365	(179)	1,568
Cash flows generated from operations	1,639	3,154	1,871	4,419
Interest paid	(218)	(162)	(444)	(407)
Income tax paid	(248)	(182)	(307)	(201)
Net cash flows generated from operating activities	1,173	2,810	1,120	3,811
Investing activities				
Purchase of property, plant and equipment	(2)	(262)	(10)	(325)
Purchase of right-of-use assets	–	–	(14)	–
Proceeds from sale of property, plant and equipment	–	–	4	303
Proceeds from sale of right-of-use assets	–	–	45	–
Net cash flows (used in)/generated from investing activities	(2)	(262)	25	(22)

Condensed interim consolidated statement of cash flows (cont'd)
Period ended 30 September 2023

	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000 (restated)	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000 (restated)
Financing activities				
Net proceeds from issuance of shares	3,795	-	3,795	-
Contribution to financial guarantee provided to an associated company	(3,707)	-	(3,707)	-
Placement of refundable deposit to associate's receiver	-	(1,252)	-	(1,252)
Repayment of trust receipts and short-term borrowings	(21)	(43)	(45)	(475)
Repayment of interest bearing term loans	(164)	(1,862)	(511)	(2,851)
Repayment of principal portion of lease and hire purchase liabilities	(62)	(139)	(130)	(229)
Decrease in pledged fixed deposits	-	2	337	254
Repayment of amount due to non-controlling interests	-	(142)	-	(281)
Repayment to related parties	(600)	-	(600)	(137)
Net cash flows used in financing activities	(759)	(3,436)	(861)	(4,971)
Net increase/(decrease) in cash and cash equivalents	412	(888)	284	(1,182)
Effect of exchange rate changes on cash and cash equivalents	(16)	(25)	(32)	(51)
Cash and cash equivalents at beginning at 1 April	853	1,216	997	1,536
Cash and cash equivalents at 30 September	1,249	303	1,249	303
Cash and cash equivalents consist of the following:				
Cash and short-term deposits	1,382	1,047	1,382	1,047
Add: Bank overdraft	(133)	(298)	(133)	(298)
Less: Pledged short-term deposits	-	(446)	-	(446)
	1,249	303	1,249	303

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 three months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Group are:

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

The Group operates in Singapore and Cambodia.

2. Basis of preparation

The condensed interim financial statements for the three months ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

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 2023.

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 2023, the Group generated a net profit after tax of S\$708,000 (30 September 2022: net profit after tax of S\$460,000). As at 30 September 2023, the Group's current liabilities (which includes loan and borrowings of S\$14,338,000) exceeded the Group's current assets by S\$10,286,000 (31 March 2023: S\$16,222,000) and the Company's current liabilities exceeded the Company's current assets by S\$11,482,000 (31 March 2023: S\$14,701,000).

As disclosed in Note 14, the corporate guarantees provided by the Group and Company included a guarantee of up to RM198,000,000 given to the bank of its associate, Maju Intan Biomass Energy Sdn Bhd ("MJE"), in respect of banking facilities extended to MJE. On 19 September 2023, the Group and Company received a letter from Maybank that the Company's obligations and liabilities under the corporate guarantee have been fully discharged.

Developments on right issue and payment of Settlement Sum with white knight

Following the close of the Rights Issue on 2 August 2023, the Company raised gross proceeds of approximately S\$4.0 million. Out of the gross proceeds, the Company had utilised S\$0.2million for the expenses for the Rights Issue and payment of S\$3.6 million as financial assistance to the white knight of MJE and had a shortfall payment of S\$1.5 million (equivalent to RM5.0 million) payable to the white knight of MJE which the Company will finance with its positive cash flows from its operations and unutilised borrowings of S\$3.9 million currently available to the Group.

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 and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner (Refer to Note 2A and 4 of other information).

4. Seasonal operations

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

5. Segment and revenue information

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

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

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

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments

Group	Fire Protection Solutions		Energy Services		Total	
	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000 (restated)	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000 (restated)
Revenue from external parties	4,992	6,302	5,801	5,105	10,793	11,408
Other income	18	9	1	1	19	10
Total revenue and other income	5,010	6,311	5,802	5,106	10,812	11,418
(Impairment)/reversal of impairment of financial asset	(3)	1	(8)	69	(11)	70
Expected loss on financial guarantee provided to an associated company	–	–	(2)	–	(2)	–
Depreciation of property, plant and equipment	(102)	(107)	(321)	(415)	(423)	(522)
Finance costs	(11)	(33)	(207)	(178)	(218)	(211)
Segment profit/(loss)	511	1,170	97	(428)	608	568
Unallocated expenses					(218)	(211)
Profit before taxation					390	357
Income tax expense					(64)	(333)
Profit for the period					326	24

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1 Reportable segments (cont'd)

Group	Fire Protection Solutions		Energy Services		Total	
	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000 (restated)	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000 (restated)
Revenue from external parties	10,650	10,901	11,371	9,846	22,021	20,747
Other income	40	166	1	1	41	167
Total revenue and other income	10,690	11,067	11,372	9,847	22,062	20,914
(Impairment)/reversal of impairment of financial asset	(3)	4	12	692	9	696
Expected loss on financial guarantee provided to an associated company	–	–	(161)	–	(161)	–
Depreciation of property, plant and equipment	(211)	(205)	(643)	(859)	(854)	(1,064)
Finance costs	(25)	(82)	(419)	(374)	(444)	(456)
Segment profit/(loss)	1,100	1,714	215	(415)	1,315	1,299
Unallocated expenses					(444)	(456)
Profit before taxation					871	843
Income tax expense					(163)	(383)
Profit for the period					708	460

Asiatic Group (Holdings) Limited and its Subsidiaries

5.1. Reportable segments (cont'd)

Group	Fire Protection Solutions		Energy Services		Total	
	30 Sep 2023 S\$'000	30 Sep 2022 S\$'000	30 Sep 2023 S\$'000	30 Sep 2022 S\$'000 (restated)	30 Sep 2023 S\$'000	30 Sep 2022 S\$'000 (restated)
Segment assets	30,830	32,543	38,571	41,544	69,401	74,087
Inter-segment assets					(16,394)	(17,615)
Goodwill					175	175
Deferred tax assets					302	–
Unallocated assets					129	80
Total assets per statement of financial position					53,613	56,727
Additions to property, plant and equipment	10	325	–	–	10	325
Additions to right-of-use assets	64	126	–	–	64	126
Expenditures for segment non-current assets	74	451	–	–	74	451
Segment liabilities	16,317	17,742	56,612	57,454	72,929	75,196
Inter-segment liabilities					(45,816)	(44,820)
Income tax payables					859	916
Deferred tax liabilities					120	120
Unallocated liabilities					1,894	1,006
Total liabilities per statement of financial position					29,986	32,418

5.2. Disaggregation of revenue

Group	The Group			
	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000
Types of goods or services:				
- Sales of goods	4,009	5,611	8,839	9,451
- Sales of services	6,784	5,797	13,182	11,296
	10,793	11,408	22,021	20,747
Geographical information:				
- Singapore	4,502	5,944	9,433	9,875
- Cambodia	5,804	5,106	11,370	9,846
- Other countries	487	358	1,218	1,026
	10,793	11,408	22,021	20,747

Asiatic Group (Holdings) Limited and its Subsidiaries

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 September 2023 and 31 March 2023:

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 2023							
Financial assets							
Other investments	–	161	161	–	–	161	161
Trade and other receivables *	7,598	–	7,598				
Cash and short-term deposits	1,382	–	1,382				
	8,980	161	9,141				
Financial liabilities							
Trade and other payables ^	(12,005)	–	(12,005)				
Loans and borrowings	(14,338)	–	(14,338)	–	–	(14,338)	(14,338)
Lease liabilities	(1,569)	–	(1,569)	–	–	(1,803)	(1,803)
	(27,912)	–	(27,912)				

* Excludes advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

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

Group	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 March 2023							
Financial assets							
Other investments	–	161	161	–	–	161	161
Assets held for sale	–	– *	– *	–	–	– *	– *
Trade and other receivables *	6,613	–	6,613				
Cash and short-term deposits	1,698	–	1,698				
	8,311	161	8,472				
Financial liabilities							
Trade and other payables ^	(16,556)	–	(16,556)				
Loans and borrowings	(15,131)	–	(15,131)	–	–	(15,131)	(15,131)
Lease liabilities	(1,655)	–	(1,655)	–	–	(1,655)	(1,655)
	(33,342)	–	(33,342)				

* Excludes advances to supplier and GST receivables

^ Excludes withholding tax payable, deferred income, advances from customers and GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

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

Company	Carrying amount			Fair value			
	At amortised cost S\$'000	Fair value through profit or loss S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 September 2023							
Financial assets							
Cash and short-term deposits	126	–	126				
Financial liabilities							
Other payables and accruals *	(2,047)	–	(2,047)				
31 March 2023							
Financial assets							
Cash and short-term deposits	72	–	72				
Financial liabilities							
Other payables and accruals *	(5,617)	–	(5,617)				

* Excludes GST payables but include provision for contribution to financial guarantee provided to an associated company.

Asiatic Group (Holdings) Limited and its Subsidiaries

7. Profit before taxation

7.1 Significant items

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

	The Group			
	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000
Impairment/(write back of impairment) of financial assets	11	(70)	(9)	(696)
Contributions to defined contribution plans	92	100	183	198
Insurance	59	31	108	93
Inventories recognised as an expense in cost of sales	2,453	2,959	5,372	5,281
Legal fees	76	13	126	19
Travelling and transportation	32	26	63	48
Audit fees	48	53	70	68
Late payment interest to a supplier in Cambodia	83	175	166	347

7.2 Related party transactions

	The Group			
	3 months ended 30 Sep 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000
<u>Sale and purchase of goods and services</u>				
Purchase of goods from a firm related to a director	29	55	96	97
Sale of goods to a firm related to a director	9	62	35	92
<u>Directors' and executive officers' remuneration</u> *				
Directors' remuneration	181	158	340	317
Executive officers' remuneration	122	111	233	223

* Included in the above remuneration for the Group is payment for defined contribution plans of S\$9,000 and S\$19,000 for the 3 months and 6 months ended 30 September 2023 respectively (3 months and 6 months ended 30 September 2022: S\$10,000 and S\$20,000 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 2023 S\$'000	3 months ended 30 Sep 2022 S\$'000	6 months ended 30 Sep 2023 S\$'000	6 months ended 30 Sep 2022 S\$'000
Current income tax expense	64	333	163	383

9. Net asset value

	The Group		The Company	
	30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period (Singapore cents)	0.5	0.7	0.4	0.6

The net asset value per ordinary share as at 30 September 2023 is calculated based on 3,233,422,455 (31 March 2023: 1,741,647,873) ordinary shares in issue (excluding treasury shares).

10. Goodwill

	The Group	
	30 Sep 2023	31 Mar 2023
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 2023, the Group acquired assets amounting to S\$10,000 (30 September 2022: S\$325,000). There was disposal of assets amounting to S\$1,000 (30 September 2022: S\$1,000) during the six months ended 30 September 2023.

12. Loans and borrowings

	<u>The Group</u>	
	<u>30 Sep 2023</u>	<u>31 Mar 2023</u>
<u>Amount repayable within one year or on demand</u>		
Secured	8,644	8,759
Unsecured	1,000	2,398
<u>Amount repayable after one year</u>		
Unsecured	4,694	3,974
Total loans and borrowings	14,338	15,131

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\$510,000 as at 30 September 2023 (31 March 2023: S\$541,000).

The Group's factory building with a carrying value of S\$2,889,000 as at 30 September 2023 (31 March 2023: S\$2,938,000) is subject to a first charge to secure the bank loans and borrowings.

13. Share capital

	The Group and the Company			
	30 Sep 2023		31 Mar 2023	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<u>Issued and fully paid ordinary shares</u>				
At beginning of year	1,741,648	51,047	1,556,463	50,585
Shares issued	1,491,775	4,028	185,185	500
Share issue expenses	-	(233)	-	(38)
At end of period	3,233,423	54,842	1,741,648	51,047

The total number of issued shares excluding treasury shares as at 30 September 2023 and 30 June 2023 was 3,233,422,455 (31 March 2023: 1,741,647,873).

On 10 August 2023, the Company issued and allotted 1,491,774,582 Rights Shares that were subscribed at Issue Price of S\$0.0027 per Rights Share on the basis of 13 Rights Shares for every 10 existing ordinary shares of the Company held. The net proceed received from the rights issue amounted to \$3,783,000.

The Company did not hold any treasury shares and subsidiary holdings as at 30 September 2023 and 30 September 2022.

The Company did not have any outstanding options or convertibles as at 30 September 2023 and 30 September 2022.

14. Commitments and contingencies

Corporate guarantees

Corporate guarantees amounting to US\$Nil million (31 March 2023: US\$1.0 million) and S\$29.4 million (31 March 2023: S\$29.4 million) have been provided by the Company to financial institutions to secure banking facilities granted to its subsidiaries.

On 19 September 2023, the Group and Company received a letter from MJE's bank that the Company's obligations and liabilities under the corporate guarantee of RM198.0 million have been fully discharged (Note 3).

Notwithstanding the discharge of the corporate guarantee by MJE's bank, the remaining provision for expected credit losses of Colben Energy Holdings (Maju Intan) Ltd's ("CEH") Share of the Settlement Sum and Share of the Costs under the Share Purchase Agreement ("SPA") amounted to \$1,505,000 (RM5.0 million) as at 30 September 2023 (31 March 2023: RM20.7 million) following the payment of S\$3.6 million towards the Settlement Sum.

14. Commitments and contingencies (cont'd)

Legal claims

(a) 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 \$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 2023, there are no further development on the claims and counterclaims filed.

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

Shareholders can refer to the Group's announcements released on 17 February 2022, 14 November 2022, 23 November 2022 and 5 January 2023 made reference to a civil judgement between Tela and Colben Cambodia.

As at 30 September 2023, Tela has yet to enforce their request for the repayment of outstanding amount due to them. Notwithstanding that, the Company will negotiate with Tela when requested to see how it can work out a payment plan for the amount of approximately US\$1,026,000 payable to Tela by Colben Cambodia.

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

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

The case conference for HC/OA 434/2023 ("OA 434"), between Colben Energy Holdings (PPSEZ) Limited ("CEH PPSEZ"), Colben System Pte Ltd ("CSPL") and RGPPSEZ, that had been fixed on 7 September 2023 has been re-fixed to 30 November 2023.

The hearing relating to the motion to object to the ruling of preservative disposition in Preservative Relief Case No. 166 filed by Colben Energy (Cambodia) PPSEZ Limited ("JV Company") that was fixed on 17 August 2023 before the Cambodian Court ("Cambodian Hearing") had been adjourned until the conclusion of the amicable discussions between parties.

14. Commitments and contingencies (cont'd)

Legal claims

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

Due to the uncertainty that the ongoing negotiation will lead to a settlement, to further protect CEH PPSEZ's and CSPL's rights in the JV Company, CEH PPSEZ and CSPL have on 13 September 2023 commenced an arbitration with the Singapore International Arbitration Centre against RGPPSEZ (the "Arbitration"). The Arbitration seeks to enforce the terms of the SHA and JVA and, in particular, CEH PPSEZ and CSPL's rights in the JV Company in relation to the management and running of the JV Company in Cambodia.

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

15. Subsequent events

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

16. Prior period reclassification/adjustment

During the financial period ended 30 September 2022, the Group incorrectly classified amount due to non-controlling interests of subsidiary as a non-current liability while the amount due to non-controlling interests of subsidiary is repayable at the discretion of the subsidiary. Hence, it is now reclassified to Equity under Non-controlling interest.

On 2 November 2022, the Group received translated copies of the civil judgement no. 127 dated 9 February 2022 issued by the Phnom Penh Court stating that the Group is required to pay a penalty interest at the rate of 2% per month on the amount of US\$2,074,530.64 (equivalent to approximately \$2,810,000) from June 2021 until the outstanding amount is fully repaid. As the civil judgement no. 127 dated 9 February 2022 was received after the financial statements for the previous financial year was finalised, prior year adjustment was effected to recognise the accrual of penalty interest and its corresponding foreign currency translation in the appropriate accounting period.

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 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three 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 2023 ("FY2023"), 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 risk of lender calling on the financial guarantee provided by the Group and Company due to the final balance of RM39.5 million not being settled on the agreed settlement date of 30 June 2023 with request for extension being made to the lender,
- (ii) the inability by Management to quantify the expected credit losses (ECL) on financial guarantees extended to lender on behalf of its associate, MJE, should the lender not accede to the request in (i) and called on the financial guarantee; and
- (iii) effect of potential loss of control of the Company's subsidiary, Colben Energy (Cambodia) PPSEZ Ltd

(collectively, the "Audit Issues").

The Board considers Audit Issues (i) and (ii) resolved. Details relating to the Group's comments on 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 Catalyst Rule Appendix 7C" and Section 3 of the Notes to the condensed interim consolidated financial statements

The Board confirms that the impact of the Audit Issues on the financial statements in relation to FY2023 have been adequately disclosed.

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

(Singapore Cents)	The Group			
	3 months ended 30 Sep 2023	3 months ended 30 Sep 2022 (restated)	6 months ended 30 Sep 2023	6 months ended 30 Sep 2023 (restated)
(a) Based on weighted average number of ordinary shares in issue	0.01	0.00	0.02	0.03
(b) On a fully diluted basis	0.01	0.00	0.02	0.03

The earnings 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\$231,000 and S\$522,000 for the 3 months and 6 months ended 30 September 2023 respectively (Profit for the 3 months and 6 months ended 30 September 2022: S\$24,000 and S\$461,000 respectively), divided by the weighted average number of ordinary shares in issue of 2,825,833,771 as at 30 September 2023 (30 September 2022: 1,556,462,688).

The basic and diluted earnings per ordinary share are the same for 3 months and 6 months ended 30 September 2023 and 30 September 2022 because there were no potentially dilutive ordinary securities as at 30 September 2023 and 30 September 2022 respectively.

4. Review of performance of the Group

Revenue

	6 months ended 30 Sep 2023		6 months ended 30 Sep 2022		Increase/ (Decrease)
	S\$'000	% of total revenue	S\$'000	S\$'000	% of total revenue
By business divisions					
- Fire Protection Solutions	10,650	48.36%	10,901	52.54%	(2.30)%
- Energy Services	11,371	51.64%	9,846	47.46%	15.49%
Total revenue	22,021	100.00%	20,747	100.00%	6.14%

The Group's revenue for 6 months ended 30 September 2023 increased by 6.14% from the corresponding period in 2022. The increase is mainly attributed to the increase in the electricity demand by tenants in the Phnom Penh Special Economic Zone power plant as compared to the 6 months ended 30 September 2022, mainly due to the effect of hot weather experienced in Cambodia caused by El Nino in first quarter of the financial year ended 31 March 2024 ("FY2024") spilling over to the second quarter of FY2024. On the other hand, the increase is partially offset by a decrease in revenue derived from the Fire Protection Solutions division due to a decrease in project revenue as deliveries to customers are scheduled in the later periods in FY2024.

Profitability

Decrease in other income mainly resulted from the decrease in government grants received during the 6 months ended 30 September 2023.

Cost of sales increased mainly due to the increase in revenue in the Energy Services divisions during the 6 months ended 30 September 2023. Gross margin decreased when compared to 6 months ended 30 September 2022 due to higher proportion of gross margin derived from Energy Services division that has a lower margin as compared to the gross margin derived from Fire Protection Solutions.

Foreign exchange gain during the period was mainly resulted from exchange gain arising from appreciation of USD against SGD on USD denominated receivables from subsidiaries during the period.

During the period, the Group increased the headcount to support the increase in operations in the Fire Protection Solutions division, resulting in an increase in staff costs during the 6 months ended 30 September 2023.

Decrease in depreciation during the period was mainly due to a one-off adjustment for the 6 months ended 30 September 2022 that was only made in the 3 months ended 31 December 2022. Excluding the one-off adjustment, the depreciation remained relatively unchanged when compared to 6 months ended 30 September 2022.

In the first quarter of FY2024, there was write back on impairment of financial assets relating to the write back in the impairment previously recorded on the receivable from MJE following the exchange loss recognised on the RM denominated receivables from MJE as a result of the devaluation of RM against SGD. This amount is partially offset by impairment of financial assets owing from customer from Fire Protection Solutions division.

Subsequent to the previous financial year end, the Company and Group recognised additional provision for contribution to financial guarantee provided to an associated company following the finalisation of the contribution sum in the first quarter of FY2024.

Decrease in other operating expenses is mainly due to lower late penalty interest to a supplier in Cambodia as there was repayment to the supplier in Jan 2023 that resulted in a lower outstanding amount.

Due to a combination of the above factors, the Group recorded a profit after tax of S\$0.7 million during the 6 months ended 30 September 2023 as compared to a profit after tax of S\$0.5 million for the corresponding period in 2022.

Movement in comprehensive income

As noted in the statement of comprehensive income, there was a foreign currency translation gain amounting to S\$0.7 million (6 months ended 30 September 2022: foreign currency translation gain of S\$2.4 million). Translation gain was mainly due to the appreciation of USD against SGD on the Cambodia entities with USD as its functional currency.

Balance Sheet

As at 30 September 2023, non-current assets decreased due to the depreciation of property, plant and equipment (S\$0.9 million) and depreciation of right-of-use assets (S\$0.1 million). The decrease is partially offset by 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 right-of-use asset during the period.

During the period, inventories are maintained at an optimal level required to meet the expected demand from the customers. Trade receivables saw an increase as a result of the increase in sales from Energy Services division during the period. On the other hand, other receivables decreased mainly due to the decrease in advances to suppliers due to the lesser purchase requirement from the Fire Protection Solutions division as at 30 September 2023.

Decrease in current liabilities was mainly due to the faster repayment of trade payables in its Energy Services division and partial payment of contribution to financial guarantee provided to an associated company from the proceeds of the rights issue. In addition, the Group has obtained extension for loan principal repayment moratorium for the term loans held by the subsidiaries of the Group during the period which resulted in a reclassification of current portion of term loan to non-current. The decrease is partially offset by an increase in other payables and accruals caused by the additional provision for late payment interest to a supplier in Cambodia.

Non-current loan and borrowings Increased due to the reclassification of current portion of term loan to non-current as a result of the extension for loan principal repayment moratorium obtained for its term loans.

As at 30 September 2023, the Group had a net current liabilities position of S\$10.3 million arising from the utilisation of short-term financing to support the Group's energy projects and provision for contribution to financial guarantee provided to an associated company. The net current liabilities position had improved during the period due to the various movement in current assets and liabilities mentioned above. 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 2023, the Group has successfully rolled over approximately S\$9.3 million out of S\$9.6 million of short term loans, and has continued to fulfil its debt obligations. In addition, the bank has also granted the Group extension for loan principal repayment moratorium for the term loans held by the subsidiaries of the Group;
- (b) The Board has reviewed the cash flows forecast prepared by Management in November 2023, 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 Protection Solutions division;

- (c) The Board is of the view that with the Group's unutilised borrowings amounting to S\$3.9 million and positive cash flows generated from operating activities will allow the Group to fulfil the outstanding share of Co-Funding under the arrangement with Etagreen Management Sdn. Bhd. ("EM") to fulfil the remaining obligations from the SPA and Share Subscription Agreement ("SSA") amounting to an aggregate of S\$1.5 million; and
- (d) Relating to the ongoing dispute with the joint venture partner of Colben Energy (Cambodia) PPSEZ Limited ("Colben PPSEZ"), the Group and Company has taken steps to protect its rights under the Shareholder agreement and Joint Venture agreement and by commencing an arbitration with the Singapore International Arbitration Centre against RGPPSEZ (the "Arbitration") (Note 14(c)). Further announcements will be made to update the shareholders of any material updates on the matters, as and when necessary.

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 2023, net cash generated from operating activities amounted to S\$1.1 million after taking into account the working capital and payment of interest and tax. Net cash outflow from operating activities was mainly contributed by the increase in revenue in the Energy Services division during the period.

Net cash flow generated from investing activities was resulted from the proceeds from disposal of right-of-use assets and property, plant and equipment. The inflow was partially offset by purchase of right-of-use assets and property, plant and equipment.

The Group recorded a net cash outflow from its financing activities arising from (i) contribution of financial guarantee provided to an associated company, (ii) repayment of trust receipt and short-term borrowings, (iii) repayment of interest bearing term loans, (iv) repayment of lease and hire purchase liabilities, and (v) repayment to related parties. This is partially offset by proceeds from the issuance of shares obtained through the rights issue exercise and decrease in pledged fixed deposits during the period. As a result, overall cash balance increased by S\$0.3 million during the period.

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

In the Company's announcement dated 14 August 2023 in relation to its results for the quarter ended 30 June 2023, it was disclosed that the Group continues to pivot away from its Energy Services division and work towards refocusing attention and resources on our Fire Protection Solutions division. The divestment of MJE during the period brings the Group one step closer to its goal towards the divestment of its Energy Services division.

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

The Group continues to pivot away from its Energy Services division and works towards refocusing attention and resources on our Fire Protection Solutions division, with the aim to expand market share and product base.

As announced on 20 September 2023, Maju Intan Biomass Energy Sdn Bhd has been fully divested. The Group is currently focusing on the remaining joint venture asset held by Colben Energy Pte Ltd through its indirect subsidiaries.

As at the date of this announcement, the Group has commenced arbitration against RGPPSEZ to enforce the terms of the SHA and JVA and, in particular, CEH PPSEZ and CSPL's rights in the JV Company in relation to the management and running of the JV Company in Cambodia on 13 September 2023. RGPPSEZ has also filed their Response of the Notice of Arbitration on 2 October 2023. The Group will defend its interest vigorously to protect our rights as an investor in Cambodia. Aside from the above, there are no further updates in relation to the Arbitration. An announcement will be made expediently once there are updates from the Arbitration

Also as announced, the Group had testbed its new intelligence system (Fire Intelligence and Smart Control System) and had secured its maiden order to manufacture the smart control systems for testing and implementation and will work towards securing more contracts.

The Group will continue to stay vigilant to proactively manage and mitigate the impact of rising costs across the respective business divisions. The Group will also continue to monitor its cash flow over the next 12 months and where needed, implement strategies to minimise any liquidity impact to the Group business.

7. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

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

Not Applicable.

(d) Date Payable

Not Applicable.

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

Not Applicable.

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

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

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

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

10. Utilisation of proceeds

	\$'000
Net proceeds from the rights issue	3,783
<u>Use of proceeds:</u>	
Financial assistance to either MJE or the white knight of MJE	(3,602)
Balance	<u>181</u>

The above utilisation is largely in line with the intended use as stated in the announcement dated 31 March 2023 in respect of the rights issue.

11. Additional information required pursuant to Rule 706A

During the three-month period ended 30 September 2023, the Group has completed the disposal of its associated company, MJE, to Etagreen Management Sdn Bhd and following the completion of the transfer, MJE has ceased to be an associate of the Company.

Please refer to the Company's announcement dated 8 May 2023 for the details of the disposal of shareholding in MJE.

The disposal of MJE does not have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial period ending 30 September 2023.

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during financial period ending 30 September 2023 which is required to be reported under Rule 706A of the Catalist Rules.

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

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

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three and six-month period ended 30 September 2023 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

9 November 2023

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

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