



**GDS**  
Global Limited

**GDS GLOBAL LIMITED**

(Company Registration No.: 201217895H)  
(Incorporated in the Republic of Singapore on 19 July 2012)

**GDS GLOBAL LIMITED**  
**(Registration No. 201217895H)**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS AND FULL YEAR ENDED**  
**30 SEPTEMBER 2023**

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		Six months ended 30 September			Twelve months ended 30 September		
		2023	2022	Incr / (Decr)	2023	2022	Incr / (Decr)
		S\$'000 Unaudited	S\$'000 Unaudited	%	S\$'000 Unaudited	S\$'000 Audited	%
<b>Revenue</b>	4	6,167	7,804	(21.0%)	12,203	13,664	(10.7%)
Cost of sales		(4,424)	(5,273)	(16.1%)	(8,816)	(9,647)	(8.6%)
Gross profit		1,743	2,531	(31.1%)	3,387	4,017	(15.7%)
Other operating income		13	185	(93.0%)	118	311	(62.1%)
Marketing and distribution		(151)	(235)	(35.7%)	(320)	(430)	(25.6%)
Administrative expenses		(2,473)	(2,474)	-	(4,782)	(4,750)	0.7%
Other operating expenses		(178)	(401)	(55.6%)	(347)	(533)	(34.9%)
Interest revenue		13	1	n.m.	13	3	n.m.
Other gains and losses		39	103	(62.1%)	(118)	89	n.m.
Finance costs		(84)	(97)	(13.4%)	(174)	(201)	(13.4%)
<b>Loss before tax</b>	5	(1,078)	(387)	n.m.	(2,223)	(1,494)	48.8%
Income tax credit (expense)	6	132	(116)	n.m.	105	(181)	n.m.
<b>Loss for the year</b>		(946)	(503)	88.1%	(2,118)	(1,675)	26.4%
<b>Other comprehensive (loss) income:</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Exchange differences on translation of foreign operations		(40)	(86)	(53.5%)	74	(77)	n.m.
<b>Other comprehensive (loss) income for the year, net of tax</b>		(40)	(86)	(53.5%)	74	(77)	n.m.
<b>Total comprehensive loss for the year</b>		(986)	(589)	67.4%	(2,044)	(1,752)	16.7%
<b>(Loss) profit attributable to:</b>							
Owners of the Company		(1,067)	(765)	39.5%	(2,341)	(2,127)	10.1%
Non-controlling interests		121	262	(53.8%)	223	452	(50.7%)
		(946)	(503)	88.1%	(2,118)	(1,675)	26.4%
<b>Total comprehensive (loss) income attributable to:</b>							
Owners of the Company		(1,107)	(851)	30.1%	(2,267)	(2,204)	2.9%
Non-controlling interests		121	262	(53.8%)	223	452	(50.7%)
		(986)	(589)	67.4%	(2,044)	(1,752)	16.7%
<b>Basic and diluted loss per share (cents)</b>	7	(0.95)	(0.68)	39.7%	(2.09)	(1.90)	10%

**Note:**

(1) n.m. denotes not meaningful.

## B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		S\$'000	S\$'000	S\$'000	S\$'000
		Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		5,876	7,177	1,922	3,292
Trade and other receivables		1,998	2,787	3,454	2,333
Contract assets		391	577	-	-
Inventories		1,669	1,945	-	-
<b>Total current assets</b>		<b>9,934</b>	<b>12,486</b>	<b>5,376</b>	<b>5,625</b>
<b>Non-current assets</b>					
Property, plant and equipment	10	1,593	1,905	-	-
Right-of-use assets		6,354	7,589	-	-
Intangible assets	11	1,271	1,360	-	-
Subsidiaries		-	-	4,240	4,240
<b>Total non-current assets</b>		<b>9,218</b>	<b>10,854</b>	<b>4,240</b>	<b>4,240</b>
<b>Total assets</b>		<b>19,152</b>	<b>23,340</b>	<b>9,616</b>	<b>9,865</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables		1,254	1,412	177	205
Contract liabilities		649	815	-	-
Lease liabilities		1,374	1,331	-	-
Income tax payable		119	225	-	9
<b>Total current liabilities</b>		<b>3,396</b>	<b>3,783</b>	<b>177</b>	<b>214</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		4	184	-	-
Lease liabilities		5,738	6,997	-	-
Other payables		189	213	-	-
<b>Total non-current liabilities</b>		<b>5,931</b>	<b>7,394</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>9,327</b>	<b>11,177</b>	<b>177</b>	<b>214</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	12	5,245	5,245	5,245	5,245
Reserves		2,598	4,865	4,194	4,406
Equity attributable to owners of the Company		7,843	10,110	9,439	9,651
Non-controlling interests		1,982	2,053	-	-
<b>Total equity</b>		<b>9,825</b>	<b>12,163</b>	<b>9,439</b>	<b>9,651</b>
<b>Total liabilities and equity</b>		<b>19,152</b>	<b>23,340</b>	<b>9,616</b>	<b>9,865</b>

### Note:

There are no borrowings and debt securities and any related collateral for the Group and the Company as at 30 September 2023. (2022: S\$Nil)

**C. Condensed interim statements of changes in equity**

<b>The Group</b>	<b>Share capital</b>	<b>Translation reserve</b>	<b>Capital reserves</b>	<b>Merger reserve</b>	<b>Retained earnings</b>	<b>Equity attributable to owners of the Company</b>	<b>Non-controlling interests</b>	<b>Total</b>
<u>Unaudited</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 October 2022</b>	5,245	(127)	277	19	4,696	10,110	2,053	12,163
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(2,341)	(2,341)	223	(2,118)
Other comprehensive profit for the period	-	74	-	-	-	74	-	74
<b>Total</b>	-	74	-	-	(2,341)	(2,267)	223	(2,044)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	-	(294)	(294)
<b>Total</b>	-	-	-	-	-	-	(294)	(294)
<b>Balance at 30 September 2023</b>	5,245	(53)	277	19	2,355	7,843	1,982	9,825

**C. Condensed interim statements of changes in equity**

	Share capital	Translation reserve	Capital reserves	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<u>Audited</u>								
<b>Balance at 1 October 2021</b>	5,245	(50)	277	19	6,823	12,314	1,846	14,160
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(2,127)	(2,127)	452	(1,675)
Other comprehensive loss for the period	-	(77)	-	-	-	(77)	-	(77)
<b>Total</b>	-	(77)	-	-	(2,127)	(2,204)	452	(1,752)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	-	(245)	(245)
<b>Total</b>	-	-	-	-	-	-	(245)	(245)
<b>Balance at 30 September 2022</b>	5,245	(127)	277	19	4,696	10,110	2,053	12,163

### C. Condensed interim statements of changes in equity

<b>The Company</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<u>Unaudited</u>			
<b>Balance at 1 October 2022</b>	5,245	4,406	9,651
Loss for the period, representing total comprehensive loss for the period	-	(212)	(212)
<b>Balance at 30 September 2023</b>	<u>5,245</u>	<u>4,194</u>	<u>9,439</u>
<u>Audited</u>			
<b>Balance at 1 October 2021</b>	5,245	4,050	9,295
Profit for the period, representing total comprehensive income for the period	-	356	356
<b>Balance at 30 September 2022</b>	<u>5,245</u>	<u>4,406</u>	<u>9,651</u>

## D. Condensed interim consolidated statement of cash flows

	Group	
	Twelve months ended 30 September	
	2023	2022
	S\$'000 Unaudited	S\$'000 Audited
<b>Operating activities</b>		
Loss before tax	(2,223)	(1,494)
Adjustments for:		
Interest income	(13)	(3)
Interest expense on lease liabilities	174	201
Depreciation of property, plant and equipment	493	493
Depreciation of right-of-use assets	1,372	1,363
Amortisation of intangible assets	97	94
Amortisation of deferred grant income	(56)	(56)
Bad debts written off	-	1
Allowance for inventory obsolescence, net	83	13
Net foreign exchange loss (gain)	75	(16)
Gain on disposal of property, plant and equipment	-	(15)
Operating cash flows before movements in working capital	2	581
Inventories	193	(54)
Trade and other receivables	787	(743)
Contract assets	186	496
Trade and other payables	(50)	95
Contract liabilities	(166)	(76)
Cash generated from operations	952	299
Income tax paid	(181)	(127)
Interest paid on lease liabilities	(174)	(201)
Net cash from (used in) operating activities	597	(29)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(181)	(154)
Interest received	13	3
Proceeds from disposal of property, plant and equipment	-	69
Payment for intangible assets	(8)	-
Net cash used in investing activities	(176)	(82)
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders by subsidiary	(294)	(245)
Repayment of lease liabilities	(1,353)	(1,258)
Net cash used in financing activities	(1,647)	(1,503)
Net decrease in cash and cash equivalents	(1,226)	(1,614)
Cash and cash equivalents at beginning of year	7,177	8,775
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(75)	16
Cash and cash equivalents at end of year	5,876	7,177



## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

GDS Global Limited (the “Company”) is incorporated and domiciled in Singapore. The Company was listed on the Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 April 2013. These condensed interim consolidated financial statements as at and for the six months and full year ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are manufacturing of metal doors, windows and door frames, grilles and grating, trading of production components and retail sale of metal doors via the internet.

### 2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 30 September 2023 have been prepared in accordance with 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 30 September 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 financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (S\$’000) except where otherwise stated.

#### 2.1. New and amended standards adopted by the Group

On 1 October 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new / revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

#### 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 30 September 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.

In the process of applying the Group’s accounting policies, management has not made any judgements that will have a most significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

##### Loss allowance

The Group measures allowance based on an assessment of the recoverability of trade and other receivables and contract assets where events or changes in circumstances indicate that the balances may not be collectible with supportable forward-looking information. The estimation of loss allowance requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables, contract assets and loss allowance expenses in the year in which such estimate has been changed.

Management monitors outstanding receivables and the financial health of customers, particularly those of larger debtors. Where there are indications that raises doubt about the financial health of customers, management takes proactive steps to recover outstanding debts. Management assesses and determines the loss allowance by calculating the expected future receipts from customers based on past payment trends, relative age of the debtors, knowledge of the customers' business and its financial condition, and forward-looking adjustments based on macroeconomic factors.

As at 30 September 2023, the Group has trade receivables amounting to S\$1,508,000 (2022: S\$2,321,000) net of allowance amounting to S\$Nil (2022: S\$Nil) and contract assets amounting to S\$391,000 (2022: S\$577,000) net of allowance amounting to S\$Nil (2022: S\$Nil).

#### Impairment of goodwill

The recoverable amount is based on the value in use of the cash-generating unit. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates. The carrying amount of goodwill at the end of the reporting period was S\$659,000 (2022: S\$659,000). Details of the impairment assessment are provided in Note 11.

#### Allowance for inventory obsolescence

At the end of each reporting period, management determines whether allowance for inventory obsolescence is required, taking into consideration the usability, market demand and market value of the inventory. For spare parts that are in usable condition but market value and demand are diminishing, allowance for inventory obsolescence will be made over time.

Arising from the reviews, management sets up the necessary allowance for obsolete and slow-moving inventories for any shortfall in the net realisable value of the inventories.

Based on management's assessment, there was an allowance for inventory obsolescence (net) of S\$83,000 (2022: S\$13,000) during the current reporting year.

#### Impairment of non-current assets

The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

As at the end of the reporting period, one of the Group's subsidiaries, Gliderol Doors (S) Pte. Ltd. was loss-making and cash flow forecasts was prepared based on the most recent financial budgets approved by management for the next five years and beyond.

### **3. Seasonal operations**

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

### **4. Segment and revenue information**

#### **By business segment**

The Group operates and manages its business primarily as a single operating segment in the manufacture and supply of door and shutter systems and provision of service and maintenance works. As such, no operating segmental revenue and results have been prepared. The Group's chief operating decision maker reviews the consolidated results prepared based on the Group's accounting policies when making decisions, including the allocation of resources and assessment of performance of the Group.

#### 4.1. Disaggregation of Revenue

A disaggregation of the Group's revenue for the year is as follows:

	Group			
	Six months		Twelve months	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
S\$'000	S\$'000	S\$'000	S\$'000	
	Unaudited	Unaudited	Unaudited	Audited
<b>Type of revenue</b>				
Sale of doors and shutter systems	2,278	2,819	4,423	4,344
Trading of production components	2,072	3,564	4,414	6,599
Service and maintenance works	1,817	1,421	3,366	2,721
	<u>6,167</u>	<u>7,804</u>	<u>12,203</u>	<u>13,664</u>

	Group			
	Six months		Twelve months	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
S\$'000	S\$'000	S\$'000	S\$'000	
	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue recognised at a point in time:</b>				
Sale of doors and shutter systems	2,278	2,819	4,423	4,344
Trading of production components	2,072	3,564	4,414	6,599
Service and maintenance works	1,817	1,421	3,366	2,721
	<u>6,167</u>	<u>7,804</u>	<u>12,203</u>	<u>13,664</u>

#### By geographical segment

The Group operates mainly in the geographical areas of Singapore, Europe, Asia Pacific, North America, East Asia, Middle East and Others. The Group's revenue from external customers by geographical locations are as follows:

	Group			
	Six months		Twelve months	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
S\$'000	S\$'000	S\$'000	S\$'000	
	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue from external customers</b>				
<b>(based on location of customers)</b>				
Singapore	3,694	2,726	7,080	5,358
Europe	1,576	3,144	3,368	5,568
Asia Pacific	684	1,721	1,404	2,300
North America	195	178	306	357
Middle East	18	12	45	54
East Asia	-	23	-	27
Total	<u>6,167</u>	<u>7,804</u>	<u>12,203</u>	<u>13,664</u>

	Group As at	
	30.09.2023	30.09.2022
	S\$'000 Unaudited	S\$'000 Audited
<b>Non-current assets (based on location of assets)</b>		
Singapore*	9,218	10,854

**\*Note:**

All non-current assets for the Group and Company reside in Singapore.

**4.2 A breakdown of sales as follows:**

	Group Year ended 30 September		Increase/ (Decrease) %
	2023	2022	
	S\$'000 Unaudited	S\$'000 Unaudited	
(a) Sales reported for first half year	6,036	5,860	3.0%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,172)	(1,172)	-
(c) Sales reported for second half year	6,167	7,804	(21.0%)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(946)	(503)	88.1%

**5. Loss before taxation**

**5.1. Significant items**

	Group			
	Six months ended 30 September		Twelve months ended 30 September	
	2023 S\$'000 Unaudited	2022 S\$'000 Unaudited	2023 S\$'000 Unaudited	2022 S\$'000 Audited
Other operating income:				
Sundry income	26	19	45	48
Government grant income	(41)	138	17	207
Amortisation of deferred income	28	28	56	56
	13	185	118	311
Interest revenue:				
Interest income from bank deposits	13	1	13	3
Interest expense on lease liabilities	(84)	(97)	(174)	(201)
Depreciation of property, plant and equipment	(247)	(245)	(493)	(493)
Depreciation of right-of-use assets	(688)	(681)	(1,372)	(1,363)
Amortisation of intangible assets	(50)	(47)	(97)	(94)
Net foreign exchange gains (losses)	39	88	(118)	74
Gain on disposal of property, plant and equipment	-	15	-	15
Allowance for inventory obsolescence,	(83)	(13)	(83)	(13)

## 6. 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:

	Group			
	Six months		Twelve months	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
S\$'000	S\$'000	S\$'000	S\$'000	
	Unaudited	Unaudited	Unaudited	Audited
Income tax expense comprises:				
- Current tax credit (expense)	132	(116)	105	(181)
Total income tax credit (expense)	<u>132</u>	<u>(116)</u>	<u>105</u>	<u>(181)</u>

## 7. Loss per Share ("LPS")

	Group			
	Six months		Twelve months	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Audited
Loss attributable to owners of the Company (S\$'000)	(1,067)	(765)	(2,341)	(2,127)
Weighted average number of ordinary shares ('000)	112,000	112,000	112,000	112,000
LPS - Basic and diluted (cents)	<u>(0.95)</u>	<u>(0.68)</u>	<u>(2.09)</u>	<u>(1.90)</u>

LPS is calculated based on loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. There were no dilutive equity instruments for the financial years ended 30 September 2023 and 30 September 2022.

## 8. Dividends

There were no dividends paid during the financial years ended 30 September 2023 and 30 September 2022.

## 9. Net Asset Value ("NAV")

	Group		Company	
	As at 30 September		As at 30 September	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
NAV per ordinary share (cents)	7.00	9.03	8.43	8.62
Number of ordinary shares used in computation of NAV per ordinary share ('000)	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>

## 10. Property, Plant and Equipment

During the six months ended 30 September 2023, the Group acquired S\$67,000 (2022: S\$52,000) of property, plant and equipment at cost and the net book value disposed was S\$Nil (2022: S\$53,000). For twelve months ended 30 September 2023, the cost of property, plant and equipment acquired was S\$181,000 (2022: S\$154,000) and the net book value disposed was S\$Nil (2022: S\$54,000).

## 11. Intangible assets

Intangible assets comprise of patent, goodwill and other intangible assets acquired or acquired in a business combination. Other intangible assets relate to a subsidiary's website.

As at 30 September 2023, the carrying amount of patent, goodwill and other intangible assets are S\$513,000 (2022: S\$607,000), S\$659,000 (2022: S\$659,000), S\$99,000 (2022: S\$94,000) respectively.

The patent has a finite useful life. Amortisation is charged using the straight-line method over its estimated useful life of 18 years.

Goodwill acquired in a business combination is allocated to the cash generating units ("CGUs") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years based on estimated revenue from 2024 to 2028 and estimated growth rate of 1.0% beyond 5 years. The rate does not exceed the average long-term growth rate for the relevant markets.

## 12. Share capital

	Group and Company			
	Number of ordinary shares		Issued and paid up	
	2023	2022	2023	2022
	'000	'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Issued and paid up:				
At the beginning and end of the interim period	112,000	112,000	5,245	5,245

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has no subsidiary holdings and treasury shares as at 30 September 2023 and 30 September 2022.

There were no changes to the Company's share capital as at 30 September 2023 and 31 March 2023. There were no outstanding convertibles or treasury shares as at 30 September 2023 and 30 September 2022.

**Other Information Required by Catalist Rule  
Appendix 7C**

## **F. Other information required by Catalyst Rule Appendix 7C**

### **1. Review**

The condensed consolidated statement of financial position of the GDS Global 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 six-month period and full year then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest audited financial statements for the financial year ended 30 September 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### **2. Review of performance of the Group**

#### **Review of the Group's Financial Performance**

##### **Revenue**

For the sales of doors and shutter systems, the Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project-based nature of its business. The Group's local projects differ in their scope and size and are typically non-recurring.

Revenue for the financial year ended 30 September 2023 ("FY2023") was S\$12.20 million, a decrease of S\$1.46 million or 10.7% as compared to S\$13.66 million for the previous financial year ended 30 September 2022 ("FY2022").

The decrease in revenue of S\$1.46 million was mainly due to:

- (i) a decrease in trading of production components of S\$2.18 million mainly due to the prolonged war in Russia; partially offset by
- (ii) an increase in sales of door and shutter systems of S\$0.08 million;
- (iii) an increase in provision of service and maintenance work of S\$0.64 million.

##### **Cost of sales**

Cost of sales decreased by S\$0.83 million or 8.6% from S\$9.65 million in FY2022 to S\$8.82 million in FY2023. The lower cost of sales corresponds with lower revenue recorded for FY2023.

##### **Gross profit**

Gross profit decreased by S\$0.63 million or 15.7% from S\$4.02 million in FY2022 to S\$3.39 million in FY2023. Gross profit margin decreased from 29.4% in FY2022 to 27.8% in FY2023. The lower gross profit margin was mainly due to lower sales in manufactured products and trading of production components, which typically have better margins.

##### **Other operating income**

Other operating income decreased by S\$0.19 million or 62.1% from S\$0.31 million in FY2022 to S\$0.12 million in FY2023. The decrease was mainly due to absence of government grants (from Enterprise Singapore for Blast resistant / Blast mitigating roller shutter door) and reliefs relating to the Covid-19 pandemic as the country gradually recovers from the pandemic.



### **Marketing and distribution expenses**

Marketing and distribution expenses decreased by S\$0.11 million or 25.6% from S\$0.43 million in FY2022 to S\$0.32 million in FY2023. This was mainly due to decrease in freight charges and offset by an increase in local logistics transport services (such as lorries and cranes).

### **Administrative expenses**

Administrative expenses increased by S\$0.03 million or 0.7% from S\$4.75 million in FY2022 to S\$4.78 million in FY2023. The increase was mainly due to higher professional fees, the rental of one additional dormitory room for workers, the onboarding of two contract staff, partially offset by decrease in personnel cost.

### **Other operating expenses**

Other operating expenses decreased by S\$0.19 million or 34.9% from S\$0.53 million in FY2022 to S\$0.35 million in FY2023. The decrease was mainly due to decrease in research and development expenses of S\$0.14 million.

### **Interest revenue**

Interest revenue which mainly comprise interest from bank deposits and interest income from fixed deposits with bank, increased by S\$10,000 from S\$3,000 in FY2022 to S\$13,000 in FY2023. The increase was mainly due to interest received from fixed deposit placed with bank.

### **Other gains and losses**

Other gains and losses decreased from a S\$90,000 gain in FY2022 to a S\$118,000 loss in FY2023. The decrease in other gains and losses were mainly due to unrealised foreign exchange loss arising from the translation of trade receivables and bank balances denominated in US dollar during FY2023.

### **Finance costs**

Finance costs consists of interest expense arising from the application of *Leases Accounting* for lease liabilities. Finance costs decreased by S\$27,000 from S\$201,000 in FY2022 to S\$174,000 in FY2023.

### **Income tax expense**

Income tax expense increased by S\$0.29 million from tax expense of S\$181,000 in FY2022 to credit in income tax of S\$105,000 in FY2023, due to reversal of deferred tax liability.

### **Loss for the year**

As a result of the above, the Group recorded a loss of S\$2.12 million in FY2023 as compared to loss of S\$1.68 million in FY2022.

## **Review of the Group's Financial Position**

### **Current assets**

Current assets decreased by S\$2.56 million from S\$12.49 million as at 30 September 2022 to S\$9.93 million as at 30 September 2023, as a result of the following:

- (i) a decrease in cash and cash equivalents of S\$1.30 million;
- (ii) a decrease in contract assets of S\$0.19 million arising from lower project works certified;
- (iii) a decrease in trade and other receivables of S\$0.79 million due primarily to lower revenue generated; and
- (iv) a decrease in inventories of S\$0.28 million.

### **Non-current assets**

Non-current assets decreased by S\$1.64 million from S\$10.85 million as at 30 September 2022 to S\$9.22 million as at 30 September 2023. The decrease in non-current assets was mainly due to lower net book value in property, plant and equipment, right-of-use assets and intangible assets arising from depreciation and amortisation charges.

### **Current liabilities**

Current liabilities decreased by S\$0.39 million from S\$3.79 million as at 30 September 2022 to S\$3.40 million as at 30 September 2023. The decrease in current liabilities was mainly a result of the following:

- (i) a decrease in contract liabilities of S\$0.17 million which is mainly comprise of the deposit received from customers;
- (ii) a decrease in trade and other payables of S\$0.16 million;
- (iii) a decrease in income tax payable of S\$0.11 million from lower revenue mainly from subsidiary; partially offset by
- (iv) an increase in lease liabilities of S\$0.04 million mainly due to the increase in building lease payments within the next twelve months;

### **Non-current liabilities**

Non-current liabilities decreased by S\$1.46 million from S\$7.39 million as at 30 September 2022 to S\$5.93 million as at 30 September 2023. The decrease in non-current liabilities was mainly due to a decrease in lease liabilities of S\$1.26 million as the remaining lease periods decrease over the contractual lease term.

### **Capital, reserves and non-controlling interests**

Total equity was S\$9.83 million as at 30 September 2023 as compared to S\$12.16 million as at 30 September 2022, a decrease of S\$2.34 million due to current year losses.

### **Review of the Group's Cash Flows**

#### **Net cash from operating activities**

In FY2023, the Group generated cash from operating activities before changes in working capital of S\$2,000. The Group's net working capital outflow amounted to S\$0.95 million and was mainly due to a decrease in trade and other receivables of S\$0.79 million, a decrease in inventories of S\$0.19 million, a decrease in contract assets of S\$0.19 million, partially offset by a decrease in trade and other payables of S\$0.05 million and a decrease in contract liabilities of S\$0.17 million. After income tax paid of S\$0.18 million and interest paid on lease liabilities of S\$0.17 million, the Group's net cash inflow from operating activities was S\$0.59 million in FY2023.

#### **Net cash used in investing activities**

Net cash used in investing activities amounted to S\$0.18 million, mainly due to the purchase of property, plant and equipment.

#### **Net cash used in financing activities**

Net cash used in financing activities was S\$1.65 million due to repayment of lease liabilities of S\$1.35 million and payment of dividends to non-controlling shareholders by a subsidiary of S\$0.30 million.

Based on the above, cash and cash equivalents has decreased from S\$7.18 million as at 30 September 2022 to S\$5.88 million as at 30 September 2023.

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

The Group's financial results for FY2023 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 12 May 2023 in relation to its results for the first half year ended 31 March 2023.

**4. 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 construction industry is gradually recovering from the Covid-19 pandemic. However, the progress on the work sites remained slower than expected. In fact, the pace of recovery had not kept up with that of the overall cost increases in raw materials, freight and energy costs arising from the Russia-Ukraine war and other geopolitical and supply chain issues. Therefore, cost pressures will remain a challenging factor for the Group's businesses. There are also additional concerns about the inflationary cost pressures remaining higher for longer globally.

In view of the above, the Board expects the Group's prospects to remain challenging, but with the recovery in local construction from Covid-19 pandemic and Government investment in infrastructure and building construction, we are cautiously optimistic of pick up in our activities in the months ahead. Concurrently, with the resumption of the Group's sales and marketing efforts in both local and overseas markets, the Group is quietly optimistic, while closely monitoring the business sentiments of the respective countries. The Group will continue to focus on innovations and improving its range of proprietary products, as well as production and installation efficiency to stay competitive. We will leverage on technology to enhance our distribution channels and will continually evaluate strategies to navigate through these market uncertainties.

**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5b. Corresponding Period of the Immediate Preceding Financial Year

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

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5c. Date Payable

Not applicable

5d. Record Date

Not applicable

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

After careful deliberation, the Board has decided not to declare or recommend any dividend for FY2023 so as to conserve cash for working capital requirements during the uncertain business environment amidst the geopolitical tensions and inflationary cost pressures.

**6. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. There were no interested person transactions during FY2023.

**7. 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) of the Catalist Rules**

The Company has received undertakings from all its directors and executive officers in the format as set out Appendix 7H under Rule 720(1) of the Catalist Rules.

**8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**9. Disclosures on Acquisitions and Realisation of Shares pursuant to Rule 706(A) of the Catalist Rules**

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review. Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

On behalf of the Board of Directors

**Wong Lok Yung**

**Non-Executive Non-Independent Chairman**

**Aw Eng Hai**

**Lead Independent Non-Executive Director**

Singapore

25 November 2023