



ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Condensed interim financial statements
For the twelve months ended 31 December 2023

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ACESIAN PARTNERS LIMITED

(Registration No: 199505699D)

(the "Company", and together with its subsidiaries, the "Group")

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023 ("FY2023")**

	Note	The Group			
		6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Revenue	4	7,649	21,486	15,789	38,169
Cost of sales		<u>(3,572)</u>	<u>(12,409)</u>	<u>(7,398)</u>	<u>(23,422)</u>
Gross profit		4,077	9,077	8,391	14,747
Other operating income	5.1	4,382	174	4,794	291
Administrative expenses		(2,125)	(2,769)	(3,707)	(4,979)
Other operating expenses		(524)	(648)	(1,122)	(1,039)
Finance costs	5.1	(24)	(10)	(29)	(27)
Profit before tax	5.1	5,786	5,824	8,327	8,993
Income tax expense	8	(384)	(524)	(771)	(1,132)
Profit for the year		<u>5,402</u>	<u>5,300</u>	<u>7,556</u>	<u>7,861</u>
Other comprehensive income:					
Item that may be reclassified subsequently to profit and loss:					
Exchange differences on translation of foreign operations, net of tax		42	211	75	271
Total comprehensive income for the year, net of tax		<u>5,444</u>	<u>5,511</u>	<u>7,631</u>	<u>8,132</u>
Profit/(loss) attributable to:					
Owners of the Company		5,286	5,338	7,457	7,910
Non-controlling interests		116	(38)	99	(49)
		<u>5,402</u>	<u>5,300</u>	<u>7,556</u>	<u>7,861</u>
Total comprehensive income attributable to:					
Owners of the Company		5,320	5,479	7,494	8,092
Non-controlling interests		124	32	137	40
		<u>5,444</u>	<u>5,511</u>	<u>7,631</u>	<u>8,132</u>
Earnings per share attributable to owners of the Company (cents per share):					
Based on weighted average number of shares in issue (excluding treasury shares):					
- Basic		1.10	1.08	1.55	1.60
- Diluted		1.10	1.08	1.55	1.60
Weighted average number of shares in issue (excluding treasury shares)					
	16,17	480,315,717	493,370,798	480,315,717	493,370,798

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Assets					
Non-current assets					
Property, plant and equipment	6	2,067	1,912	101	213
Investment in subsidiaries	15	-	-	1,269	1,269
		2,067	1,912	1,370	1,482
Current assets					
Inventories	7	3,755	4,253	-	-
Trade and other receivables		3,230	3,165	1,819	1,786
Contract assets		1,066	638	-	-
Prepaid operating expenses		72	100	14	9
Fixed deposits pledged		88	90	30	30
Cash and cash equivalents	12	19,238	18,493	13,877	10,278
		27,449	26,739	15,740	12,103
Total assets		29,516	28,651	17,110	13,585
Equity and liabilities					
Current liabilities					
Trade and other payables		5,138	11,216	1,513	2,321
Contract liabilities		36	65	-	-
Income tax payable		705	1,079	27	-
Lease liabilities	13	219	378	101	106
		6,098	12,738	1,641	2,427
Non-current liability					
Lease liabilities	13	811	184	-	101
		811	184	-	101
Total liabilities		6,909	12,922	1,641	2,528
Equity					
Share capital	16	20,322	20,322	20,322	20,322
Treasury shares	17	(999)	(196)	(999)	(196)
Share-based payment reserve		50	-	50	-
Retained earnings/(Accumulated losses)		4,443	(3,014)	(3,904)	(9,069)
Foreign currency translation reserve		(1,452)	(1,489)	-	-
Attributable to owners of the Company		22,364	15,623	15,469	11,057
Non-controlling interests		243	106	-	-
Total equity		22,607	15,729	15,469	11,057
Total equity and liabilities		29,516	28,651	17,110	13,585

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	(Accumulated losses)/ Retained earnings \$'000	Foreign currency translation reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total \$'000
The Group								
Balance at 1 January 2022	20,322	-	-	(10,924)	(1,671)	7,727	66	7,793
Profit/(loss) for the year	-	-	-	7,910	-	7,910	(49)	7,861
<u>Other comprehensive income</u>								
Exchange difference on translation of foreign operations, net of tax	-	-	-	-	182	182	89	271
Total comprehensive income for the year	-	-	-	7,910	182	8,092	40	8,132
<u>Transactions with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(196)	-	-	-	(196)	-	(196)
Balance at 31 December 2022	<u>20,322</u>	<u>(196)</u>	<u>-</u>	<u>(3,014)</u>	<u>(1,489)</u>	<u>15,623</u>	<u>106</u>	<u>15,729</u>
Balance at 1 January 2023	20,322	(196)	-	(3,014)	(1,489)	15,623	106	15,729
Profit for the year	-	-	-	7,457	-	7,457	99	7,556
<u>Other comprehensive income</u>								
Exchange difference on translation of foreign operations, net of tax	-	-	-	-	37	37	38	75
Total comprehensive income for the year	-	-	-	7,457	37	7,494	137	7,631
<u>Transactions with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(803)	-	-	-	(803)	-	(803)
Equity-settled share based payment	-	-	50	-	-	50	-	50
Balance at 31 December 2023	<u>20,322</u>	<u>(999)</u>	<u>50</u>	<u>4,443</u>	<u>(1,452)</u>	<u>22,364</u>	<u>243</u>	<u>22,607</u>
The Company								
Balance at 1 January 2022	20,322	-	-	(13,838)	-	6,484	-	6,484
Profit for the year representing total comprehensive income for the year	-	-	-	4,769	-	4,769	-	4,769
<u>Transaction with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(196)	-	-	-	(196)	-	(196)
Balance at 31 December 2022	<u>20,322</u>	<u>(196)</u>	<u>-</u>	<u>(9,069)</u>	<u>-</u>	<u>11,057</u>	<u>-</u>	<u>11,057</u>
Balance at 1 January 2023	20,322	(196)	-	(9,069)	-	11,057	-	11,057
Profit for the year representing total comprehensive income for the year	-	-	-	5,165	-	5,165	-	5,165
<u>Transaction with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(803)	-	-	-	(803)	-	(803)
Equity-settled share based payment	-	-	50	-	-	50	-	50
Balance at 31 December 2023	<u>20,322</u>	<u>(999)</u>	<u>50</u>	<u>(3,904)</u>	<u>-</u>	<u>15,469</u>	<u>-</u>	<u>15,469</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		FY2023 \$'000	FY2022 \$'000
Operating activities			
Profit before tax		8,327	8,993
Adjustments for:			
Depreciation of property, plant and equipment		722	822
Bad debts written off		-	16
Allowance for impairment loss on trade and other receivables	5.1	63	-
Interest expense	5.1	29	27
Interest income		(602)	(77)
Investment income	11	(19)	-
Gain on disposal and written off of property, plant and equipment	6	(4)	(26)
Inventories written (back)/down, net	7	(7)	39
Share-based payment		50	-
Gain on deconsolidation of a subsidiary		(2,781)	-
Gain on write-back of long outstanding trade and other payables		(1,223)	-
Exchange differences		74	387
Operating cash flows before changes in working capital		4,629	10,181
(Decrease)/Increase in inventories		505	(497)
Increase in trade and other receivables, contract assets and prepaid operating expenses		(573)	(1,113)
(Decrease)/increase in trade and other payables and contract liabilities		(1,905)	2,224
Cash flows generated from operations		2,656	10,795
Interest received		602	77
Income taxes paid		(1,143)	(349)
Net cash flows generated from operating activities		2,115	10,523
Investing activities			
Deconsolidation of a subsidiary, net of cash disposed of		(2)	-
Purchase of investment securities	11	(981)	-
Proceeds from sale of investment securities	11	1,000	-
Purchase of property, plant and equipment	6	(71)	(295)
Proceeds from disposal of property, plant and equipment	6	1	60
Net cash flows used in investing activities		(53)	(235)
Financing activities			
Decrease in fixed deposits pledged		2	3
Repayment of lease liabilities		(463)	(493)
Purchase of treasury shares	17	(803)	(196)
Interest paid		(29)	(27)
Net cash flows used in financing activities		(1,293)	(713)
Net increase in cash and cash equivalents		769	9,575
Effects of currency translation on cash and cash equivalents		(24)	(64)
Cash and cash equivalents at the beginning of the year		18,493	8,982
Cash and cash equivalents at the end of the year		19,238	18,493

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Acesian Partners Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group consist of design, manufacture and supply of critical airflow and related products and investment holding.

2 Summary of significant accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the twelve months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. 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 December 2022.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "\$") rounded to the nearest thousand, unless otherwise indicated.

2.2 Adoption of new and amended SFRS(I) and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the Group's condensed interim financial statements.

3 Significant accounting judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 December 2022.

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:

- Note 5 - provision for ECLs of trade receivables and contract assets
- Note 7 - write down for slow-moving and obsolete inventories

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Statement of operations by segments

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

- 1) Critical airflow design and supply
- 2) Engineering services
- 3) Corporate

4.1 Disaggregation of revenue

	The Group		The Group	
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Main revenue streams:				
Engineering services	75	330	162	643
Critical airflow design and supply	7,574	21,156	15,627	37,526
	7,649	21,486	15,789	38,169
Timing of transfer of goods or services				
At a point in time	7,572	21,453	15,674	38,037
Over time	77	33	115	132
	7,649	21,486	15,789	38,169

4.2 Geographical segments

	The Group		The Group	
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Revenue:				
Asia	6,936	20,966	14,550	37,448
Others	713	520	1,239	721
	7,649	21,486	15,789	38,169

D. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.3 Business segments

	Critical airflow design and supply		Engineering services		Corporate		Total	
1 July to 31 December	1 July to 31 December							
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	10,448	27,940	75	330	1,573	3,427	12,096	31,697
Less: Inter-segment	(2,874)	(6,784)	-	-	(1,573)	(3,427)	(4,447)	(10,211)
External sales	7,574	21,156	75	330	-	-	7,649	21,486
RESULTS								
Segment results	2,450	4,058	3,200	15	136	1,751	5,786	5,824
Income tax expense							(384)	(524)
Non-controlling interest							(116)	38
Net profit attributable to owners of the Company							5,286	5,338
OTHER INFORMATION								
Bad debts written off	-	-	-	16	-	-	-	16
Capital expenditure	28	41	-	-	-	3	28	44
Depreciation	285	326	-	-	55	75	340	401
Impairment loss on trade and other receivables written back, net	-	-	-	(16)	-	-	-	(16)
Inventories written (back)/down, net	(7)	9	-	-	-	-	(7)	9
	Critical airflow design and supply		Engineering services		Corporate		Total	
1 January to 31 December	1 January to 31 December							
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	21,942	51,170	162	643	7,540	7,748	29,644	59,561
Less: Inter-segment	(6,315)	(13,644)	-	-	(7,540)	(7,748)	(13,855)	(21,392)
External sales	15,627	37,526	162	643	-	-	15,789	38,169
RESULTS								
Segment results	4,963	6,905	3,172	(175)	192	2,263	8,327	8,993
Income tax expense							(771)	(1,132)
Non-controlling interest							(99)	49
Net profit attributable to owners of the Company							7,457	7,910
ASSETS								
Segment assets	14,738	17,779	697	216	14,081	10,656	29,516	28,651
LIABILITIES								
Segment liabilities	5,059	7,401	210	3,493	1,640	2,028	6,909	12,922
OTHER INFORMATION								
Bad debts written off	-	-	-	16	-	-	-	16
Capital expenditure	71	289	-	-	-	6	71	295
Depreciation	610	656	-	10	112	156	722	822
Impairment written down on trade and other receivables, net	63	-	-	-	-	-	63	-
Inventories written (back)/down, net	(7)	39	-	-	-	-	(7)	39

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Profit before tax

5.1 The following significant items have been charged/(credited) to arrive at profit before tax:

	The Group		The Group	
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Depreciation of property, plant and equipment	340	401	722	822
Bad debts written off	-	-	-	16
Allowance for impairment loss on trade and other receivables	-	-	63	-
Inventories written (back)/down, net	(7)	9	(7)	39
Gain on disposal and written off of property, plant and equipment	(1)	-	(4)	(26)
Exchange losses	155	243	306	219
Finance costs in relation to interest expense on lease liabilities	24	10	29	27
<u>Other operating income</u>				
Grant received from government	(1)	(2)	(42)	(39)
Interest income from fixed deposits	(333)	(74)	(602)	(74)
Investment income	(17)	-	(19)	-
Gain from deconsolidation of a subsidiary	(2,781)	-	(2,781)	-
Long outstanding trade and other payables written back	(1,223)	-	(1,223)	-
Other income	(27)	(98)	(127)	(178)

5.2 Related party transactions

There are no material related party transactions apart from those disclosed in other information required by listing rule section in the financial statements.

6 Property, plant and equipment

During the twelve months ended 31 December 2023, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately \$71,000 (31 December 2022: \$295,000) and there were no disposal of assets with net book value (31 December 2022: \$5,000). The disposal of assets for proceeds of approximately \$1,000 pertains to the disposal of fully depreciated assets (zero net book value). There were new additions of right-of-use assets of \$952,000 (31 December 2022: \$76,000) and disposal of right-of-use asset of net book value amounting to approximately \$70,000 (31 December 2022: \$29,000).

7 Inventories

	The Group	
	FY2023 \$'000	FY2022 \$'000
Inventories recognised as an expense in profit or loss inclusive of the following charge:		
- Inventories written-down	55	56
- Reversal of inventories written-down	(62)	(17)
	<u>(7)</u>	<u>39</u>

8 Income tax expense

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 comprehensive income are:

	The Group		The Group	
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Current income tax				
- current year	348	512	734	1,120
- under provision in respect of prior years	36	12	37	12
	<u>384</u>	<u>524</u>	<u>771</u>	<u>1,132</u>

9 Dividends

No dividend has been declared or recommended for the six months ended 31 December 2023 as the Company has accumulated losses as at 31 December 2023.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Net asset value

	The Group		The Company	
	31-Dec-23 Cents	31-Dec-22 Cents	31-Dec-23 Cents	31-Dec-22 Cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares)	4.66	3.17	3.22	2.24

11 Investment securities

The investment securities pertains to 6-month Treasury Bills issued by the Singapore Government at face value of \$1,000,000 measured at fair value through other comprehensive income. The investment securities was acquired for cash consideration of approximately \$981,000 and redeemed at its face value of \$1,000,000 upon maturity.

12 Cash and cash equivalents

	The Group		The Company	
	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Bank balances	2,835	3,942	1,131	710
Fixed deposits	16,403	14,551	12,746	9,568
	19,238	18,493	13,877	10,278

13 Lease liabilities

	The Group		The Company	
	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
<u>Current:</u>				
Secured	219	378	101	106
<u>Non-current:</u>				
Secured	811	184	-	101
	1,030	562	101	207

The Group has lease contracts for office, factory premises and staff dormitory. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

14 Categories of financial instruments

The categories of financial instruments as at the reporting date are as follows:

	The Group		The Company	
	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
Financial assets				
<u>At amortised cost</u>				
Trade and other receivables *	3,183	3,165	1,819	1,787
Fixed assets pledged	88	90	30	30
Cash and cash equivalents	19,238	18,493	13,877	10,278
	22,509	21,748	15,726	12,095
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables **	2,830	8,702	1,391	2,194
Lease liabilities	1,030	562	101	207
	3,860	9,264	1,492	2,401

* Exclude non-financial assets of the Group amounting to \$47,000 (31 December 2022: \$Nil)

** Exclude non-financial liabilities of the Group and the Company amounting to \$2,308,000 (31 December 2022: \$2,514,000) and \$122,000 (31 December 2022: \$128,000) respectively.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 Investment in subsidiaries

Acesian Star (S) Pte Ltd ("ASPL"), a wholly-owned subsidiary of the Group, is under liquidation. The Group faced significant restrictions on its ability to access or use ASPL's assets. The carrying amounts of ASPL's assets and liabilities as at 31 December 2023 after eliminations of intercompany balances are as follows:

	Amount
	\$'000
Total assets	1
Total liabilities	<u>(152)</u>
Carrying amount of net liabilities	<u>(151)</u>

Active Building Technologies Pte Ltd ("ABT"), which was placed in creditors' voluntary liquidation on 7 April 2022, had been dissolved on the expiration of 3 months after the lodging of the return with the Registrar of Companies and Official Receiver on 4 July 2023. ABT was deconsolidated from the Group's financial statements in accordance with SFRS(I) on the date when ABT is dissolved, which resulted in a gain of approximately \$2,781,000 from the deconsolidation. The carrying amounts of ABT's assets and liabilities prior to the deconsolidation are as follows:

	Amount
	\$'000
Total assets	47
Total liabilities	<u>(2,828)</u>
Carrying amount of net liabilities	<u>(2,781)</u>

16 Share capital

	The Group and the Company			
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Number of shares		\$'000	\$'000
Ordinary shares issued and fully paid				
At beginning and end of the year	<u>498,498,498</u>	498,498,498	<u>20,322</u>	20,322

The Company did not have any convertible instruments as at 31 December 2023 and 31 December 2022. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

As at 31 December 2023, the total number of issued shares was 498,498,498 (31 December 2022: 498,498,498). Excluding treasury shares, the total number of issued shares was 476,845,598 (31 December 2022: 493,370,798).

17 Treasury shares

	The Group and the Company			
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Number of shares		\$'000	\$'000
At beginning of the year	5,127,700	-	196	-
Repurchased during the year	<u>16,525,200</u>	5,127,700	<u>803</u>	196
At end of the year	<u>21,652,900</u>	5,127,700	<u>999</u>	196

During the year ended 31 December 2023, the Company acquired 16,525,200 (31 December 2022: 5,127,700) of its own shares through purchases on the Singapore Stock Exchange.

As at 31 December 2023, the total number of treasury shares was 21,652,900 (31 December 2022: 5,127,700) or 4.54% (31 December 2022: 1.04%) of issued share capital excluding treasury shares.

18 Subsequent events

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

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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

The condensed consolidated statement of financial position of Acesian Partners Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable

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

Not applicable

4 Dividend information

4a Current Financial Period Report on

Any dividend declared for the current financial period reported on?

None.

4b Corresponding Period of the immediately Preceding Financial Year

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

None.

4c Date payable

Not applicable.

4d Books closure date

Not applicable.

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

No dividend has been declared or recommended for the twelve months ended 31 December 2023 as the Company has accumulated losses as at 31 December 2023.

6 If the Group has obtained a general mandate from shareholders for interested person transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY2023	FY2023
		\$'000	\$'000
Purchase of trade products			
Chern Dar Enterprise Co. Ltd	Mr. Ho Ta-Huang, a Non-Independent Non-Executive Director of the Company, and his immediate family	-	113

The Company wishes to advise that there is a general mandate obtained from shareholders for interested person transactions approved on 27 April 2023.

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income (FY2023 vs. FY2022)

Revenue

The economy slowdown and overall sluggishness and chip oversupply in the semiconductor market, where chip makers pulled back with a downturn, partly led to revenue of the Group declined in FY2023. In the full year ended 31 December 2023, the Group's revenue was 58.6% lower at \$15.79 million as compared to a relatively strong and exceptional results reported in FY2022 at \$38.17 million. This was partly due to surge in construction of new semiconductor plants arising from pent-up demand for semiconductor chips and multiple significant orders received in FY2022. The weak and uncertain macroeconomic environment, muted semiconductor market and geopolitical conflicts in the year 2023 brought about changing in construction timelines by some semiconductor players. Some of the ongoing semiconductor construction projects were either pushed back to 2024, placed on hold or re-evaluated. The revenue of critical airflow design and supply segment, which contributed 99.0% of the total Group's revenue, decreased by 58.4% from \$37.53 million in FY2022 to \$15.63 million in FY2023 due to lacklustre order intake. The revenue of engineering segment dropped from \$0.64 million in FY2022 to \$0.16 million in FY2023.

Gross profit

Gross profit for the Group decreased by \$6.36 million or 43.1% from \$14.75 million in FY2022 to \$8.39 million in FY2023. The decrease in gross profit was mainly due to lower revenue which was compensated by improvement in gross profit margin as a result of, among others, improvement in operational efficiency.

Other operating income

Other operating income increased by \$4.50 million from \$0.29 million in FY2022 to \$4.79 million in FY2023. The increase mainly due to gain from deconsolidation of a subsidiary of \$2.78 million, accounts payables written back of \$1.22 million and interest earned of \$0.60 million from fixed deposits.

Administrative expenses and other operating expenses

Administrative expenses decreased by 25.5% or \$1.27 million from \$4.98 million in FY2022 to \$3.71 million in FY2023 mainly due to lower staff costs arising from lower provision of employees' performance bonuses, reversal of prior year bonuses provision and reduction of salary costs.

The other operating expenses increased by \$0.08 million or 8.0% from \$1.04 million in FY2022 to \$1.12 million in FY2023, which was largely due to increase in bad debts provision (\$0.05 million), foreign currency exchange losses (\$0.09 million) and other costs (\$0.10 million), which offset by decrease in depreciation amount (\$0.10 million) and stock provision (\$0.05 million).

Income tax expense

Income tax expense in FY2023 was \$0.77 million, out of which \$0.74 million pertains to provision of income tax of current period.

Profit, net of tax

As a result, profit after tax was \$7.56 million in FY2023 as compared to a profit after tax of \$7.86 million in FY2022 on the back of lower revenue and correspondingly lower gross profit which was compensated by higher profit margin, higher other operating income (included non-recurring other income) and lower administrative expenses.

Statement of Financial Position (FY2023 vs. FY2022)

Property, plant and equipment of \$2.07 million as at 31 December 2023, which increased by \$0.16 million was mainly due recognition of new right-of-use asset of \$0.95 million and purchases of new equipment of \$0.07 million offset by depreciation charges of \$0.72 million and disposal of right-of-use asset at net book value of \$0.07 million. The PPE included right-of-use assets at net book value of \$1.01 million as at 31 December 2023.

Inventories decreased by \$0.50 million from \$4.25 million as at 31 December 2022 to \$3.75 million as at 31 December 2023 owing mainly to decrease in raw materials inventory by \$0.25 million and work-in-progress inventory by \$0.16 million.

The increase in trade and other receivables by \$0.07 million is mainly due to increase in other receivables by \$0.23 million and decrease in doubtful debts provision of \$0.16 million offset by the net trade receivables collection of \$0.32 million (trade debt collection outpaced sales invoicing) during FY2023.

Contract assets of \$1.07 million as at 31 December 2023 mainly related to unbilled receivables.

Trade and other payables decreased by \$6.08 million in FY2023 mainly due to deconsolidation of a subsidiary's accounts payables of \$2.82 million, accounts payables written back of subsidiaries of \$1.22 million, decrease in trade payables of \$1.21 million and decrease in other payables of \$0.83 million.

The obligation under lease liabilities of \$1.03 million as at 31 December 2023, which increased by \$0.47 million was mainly due addition of right-of-use asset of \$0.95 million offset by lease payments of \$0.46 million during FY2023.

Statement of Cash Flows

During the year, the Group incurred overall net cash inflows amounting to \$0.77 million resulting in the increase in cash and cash equivalents from \$18.49 million as at 31 December 2022 to \$19.24 million as at 31 December 2023. The significant cash movements during FY2023 were as follows:

In FY2023, net cash flows of \$2.66 million was generated from operations taking into account the working capital changes.

In FY2023, income taxes paid was \$1.14 million and net cash of \$0.05 million used in investing activities was mainly used for purchases of equipment.

In FY2023, net cash of \$1.29 million was used in financing activities mainly used for buybacks of company's shares of \$0.80 million and payment of obligations under lease liabilities of \$0.46 million.

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

No forecast or prospect statement was previously disclosed to shareholders.

9. 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 reporting period and the next 12 months.

The general market is unpredictable and volatile, however, on a positive note there have been some signs of recovery and improvement in business sentiments and supply glut easing in the semiconductor industry. Some chip plant construction projects resumed where their expansion plans were pushed back in year 2023. Some prominent chip makers unveiled their new plants and the constructions are expected to commence in 2024. Some ongoing constructions for new semiconductor plants which were previously postponed or slowed down could be restored. The market predicts, barring any unforeseen circumstances, that the semiconductor sector is expected to grow steadily and on upward trajectory in the next few years. On the business risk aspect, the macro headwinds if persist and geopolitical tensions which unsettled market, if unabated and intensified, may weigh on businesses particularly the semiconductor industry and could affect the business activities of the Group. The inflationary cost environment and rising business costs such as labour and raw materials costs remain a significant risk to our businesses and may erode the gross margin of our critical airflow design and supply segment. Given the overall weakness in the business environment, the Group will continue to face a challenging operating environment amid ongoing uncertainties at the economic and geopolitical fronts. With the uncertainty and unpredictability of the macro environment, the Group will monitor the market and business development closely and continue to take a disciplined approach to cost management.

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue decreased in the second half of the year as compared to corresponding period in FY2022 mainly attributed to, among other, unfavourable market condition in particular semiconductor industry and absence of major orders arising from pent-up demand received in FY2022 as explained in the performance review (section 7). The lower profits in the second half of the year mainly due to lower revenue.

11. Breakdown of sales

	FY2023 \$ '000	FY2022 \$ '000	% increase/ (decrease)
	Group	Group	Group
Revenue reported for first half year	8,140	16,683	(51.2)
Operating profit after tax before deducting non-controlling interests reported for first half year	2,154	2,561	(15.9)
Revenue reported for second half year	7,649	21,486	(64.4)
Operating profit after tax before deducting non-controlling interests reported for second half year	5,402	5,300	1.9

12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable due to no dividends being declared for both FY2023 and FY2022.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company wishes to confirm that during FY2023, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or the Managing Director or substantial shareholders of the Company.

14. Confirmation by the Board pursuant to Rule 720(1) of the Catalist Rules of SGX-ST.

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company, in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

By Order of the Board

Neo Gim Kiong
Non-Executive Chairman and Lead Independent Non-Executive Director

Loh Yih
Executive Director and Managing Director

28 February 2024

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors 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 announcement, 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. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271