

GSS ENERGY LIMITED

(The “Company”)



**Unaudited Condensed Financial Statements
For the Twelve Months
Ended 31 December 2023**

29 February 2024

Company Registration Number: 201432529C

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Note:

- Discrepancies in numbers in all tables are due to rounding.

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note ¹	6 months ended 31 December			Group 12 months ended 31 December		
		2023 Unaudited S\$'000	2022 Unaudited S\$'000	Change %	2023 Unaudited S\$'000	2022 Unaudited S\$'000	Change %
Revenue	8(ii)	59,216	62,681	(5.53)	118,198	129,691	(8.86)
Cost of Sales		(53,445)	(56,671)	(5.69)	(106,386)	(113,838)	(6.55)
Gross Profit	8(iii)	<u>5,771</u>	<u>6,010</u>	(3.98)	<u>11,812</u>	<u>15,853</u>	(25.49)
Other items of income							
Other income	8(iv)	222	210	(5.71)	679	890	(23.71)
Interest income	8(v)	81	80	(1.25)	123	92	33.70
Other items of expense							
Selling and distribution expenses		(5,158)	(6,237)	(17.30)	(10,780)	(11,694)	(7.82)
Administrative expenses		(2,323)	(2,619)	(11.30)	(4,764)	(5,091)	(6.42)
Other expenses	8(xii)	<u>(915)</u>	<u>(500)</u>	(83.00)	<u>(915)</u>	<u>(500)</u>	(83.00)
Loss from operations	8(xiii)	<u>(2,322)</u>	<u>(3,056)</u>	(24.02)	<u>(3,845)</u>	<u>(450)</u>	>100.00
Finance costs	8(vi)	(1,166)	(881)	32.35	(1,875)	(1,412)	32.79
Loss allowance on trade receivables and amount due from an associate	8(vii)	(56)	(10,042)	(99.44)	(56)	(10,042)	(99.44)
Share of loss of associate, net of tax		-	(2,753)	(100.00)	-	(2,753)	(100.00)
Loss before income tax		<u>(3,544)</u>	<u>(16,732)</u>	(78.82)	<u>(5,776)</u>	<u>(14,657)</u>	(60.59)
Income tax expense	8(viii)	62	336	(81.55)	(796)	(436)	82.57
Loss for the financial period/year	8(xiii)	<u>(3,482)</u>	<u>(16,396)</u>	(78.76)	<u>(6,572)</u>	<u>(15,093)</u>	(56.46)
<i>Items that may be reclassified subsequently to profit or loss</i>							
Remeasurement of defined benefit pension scheme	8(ix)	90	(556)	NM*	90	(556)	NM*
Exchange differences arising from translation of foreign operations	8(ix)	<u>(871)</u>	<u>(2,309)</u>	(62.28)	<u>(1,099)</u>	<u>(1,542)</u>	(28.73)
Other comprehensive income for the financial period, net of tax		<u>(781)</u>	<u>(2,865)</u>	(72.74)	<u>(1,009)</u>	<u>(2,098)</u>	(51.91)
Total comprehensive income for the financial period		<u>(4,263)</u>	<u>(19,261)</u>	(77.87)	<u>(7,581)</u>	<u>(17,191)</u>	(55.90)
Loss attributable to:							
Owners of the parent		(3,365)	(16,245)	(79.29)	(6,434)	(14,904)	(56.83)
Non-controlling interests		<u>(117)</u>	<u>(151)</u>	(22.52)	<u>(138)</u>	<u>(189)</u>	(26.98)
		<u>(3,482)</u>	<u>(16,396)</u>	(78.76)	<u>(6,572)</u>	<u>(15,093)</u>	(56.46)
Total comprehensive income attributable to:							
Owners of the parent		(4,175)	(19,152)	(78.20)	(7,746)	(17,037)	(56.12)
Non-controlling interests		<u>(88)</u>	<u>(109)</u>	(19.27)	<u>(105)</u>	<u>(154)</u>	(31.82)
		<u>(4,263)</u>	<u>(19,261)</u>	(77.87)	<u>(7,581)</u>	<u>(17,191)</u>	(55.90)

*NM – not meaningful

¹ Please refer to Section F (Other information required by Appendix 7C to the Catalist Rules) of this announcement.

A.
(ii) Other information

	Note ²	Group					
		6 months ended 31 December			12 months ended 31 December		
		2023	2022	Change	2023	2022	Change
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%	
Allowance for inventory obsolescence		-	(343)	(100.00)	-	(343)	(100.00)
Amortisation of intangible assets	8(x)	(83)	(12)	>100.00	(219)	(14)	>100.00
Amortisation of land use rights		(25)	(28)	(10.71)	(52)	(57)	(8.77)
Amortisation of right-of-use assets	8(xi)	(1,907)	(1,604)	(18.89)	(3,393)	(2,523)	(34.48)
Depreciation of property, plant and equipment		(954)	(1,486)	(35.80)	(2,787)	(2,818)	(1.10)
Finance costs	8(vi)	(1,166)	(881)	(32.35)	(1,875)	(1,412)	32.79
Foreign exchange loss, net	8(xii)	(220)	(250)	(12.00)	(10)	(80)	(87.50)
Government incentive	8(iv)	108	411	(73.72)	108	411	(73.72)
Loss allowance on trade receivables		-	-	NM*	-	(180)	(100.00)
Interest income	8(v)	81	80	1.25	123	92	33.70
Share option expenses		(36)	(46)	(21.74)	(74)	(77)	(3.90)

² Please refer to Section F (*Other information required by Appendix 7C to the Catalist Rules*) of this announcement.

B. CONDENSED STATEMENTS OF FINANCIAL POSITION

(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		31 December 2023 S\$'000	Group 31 December 2022 S\$'000 Audited	Change %	31 December 2023 S\$'000 Unaudited	Company 31 December 2022 S\$'000 Audited	Change %
	Note ³	Unaudited	Audited	%	Unaudited	Audited	%
ASSETS							
Non-current assets							
Property, plant and equipment	8(xiv)	22,614	23,825	(5.08)	1	2	(50.00)
Intangible assets	8(xv)	3,169	1,447	>100.00	-	-	NM*
Land use rights		1,109	1,209	(8.27)	-	-	NM*
Right-of-use assets	8(xvi)	12,290	14,704	(16.42)	-	-	NM*
Investment in subsidiaries		-	-	NM*	16,399	16,340	0.36
Goodwill		6,507	6,507	0.00	-	-	NM*
Deferred tax assets	8(xxv)	699	563	24.16	-	-	NM*
Due from a subsidiary		-	-	NM*	6,250	6,250	0.00
Total non-current assets		<u>46,388</u>	<u>48,255</u>	(3.87)	<u>22,650</u>	<u>22,592</u>	0.26
Current assets							
Inventories	8(xvii)	18,296	30,055	(39.12)	-	-	NM*
Trade receivables	8(xviii)	24,146	11,099	>100.00	-	-	NM*
Other receivables and deposits	8(xix)	2,042	3,544	(42.38)	9	5	80.00
Prepayments	8(xx)	339	481	(27.03)	5	12	(58.33)
Due from subsidiaries		-	-	NM*	773	802	(3.62)
Amount due from a related party		274	276	(0.72)	-	-	NM*
Cash and cash equivalents		14,883	15,151	(1.77)	107	88	(21.59)
Total current assets		<u>59,980</u>	<u>60,606</u>	(1.03)	<u>894</u>	<u>907</u>	(1.43)
Total assets		<u>106,368</u>	<u>108,861</u>	(2.29)	<u>23,544</u>	<u>23,499</u>	0.19
EQUITY AND LIABILITIES							
Current liabilities							
Trade payables		19,206	20,930	(8.24)	-	-	NM*
Other payables and accruals	8(xxi)	6,428	8,131	(20.94)	387	200	93.50
Due to a subsidiary		-	-	NM*	3,243	2,147	51.05
Current income tax payable	8(xxii)	40	538	(92.57)	-	-	NM*
Lease liabilities	8(xxiii)	2,586	5,720	(54.79)	-	-	NM*
Loan and borrowings	8(xxiv)	21,262	11,940	78.07	-	-	NM*
Total current liabilities		<u>49,522</u>	<u>47,259</u>	4.79	<u>3,630</u>	<u>2,347</u>	54.67
Net current assets/(liabilities)		<u>10,458</u>	<u>13,347</u>	(21.65)	<u>(2,736)</u>	<u>(1,440)</u>	90.00
Non-current liabilities							
Lease liabilities	8(xxiii)	6,099	5,486	11.17	-	-	NM*
Other payables	8(xxi)	29	45	(35.56)	-	-	NM*
Loan and borrowings	8(xxiv)	4,729	2,448	93.18	-	-	NM*
Retirement benefit obligations		1,951	2,040	(4.36)	-	-	NM*
Deferred tax liability	8(xxv)	284	322	(11.80)	-	-	NM*
Total non-current liabilities		<u>13,092</u>	<u>10,341</u>	26.60	<u>-</u>	<u>-</u>	NM*
Total liabilities		<u>62,614</u>	<u>57,600</u>	8.70	<u>3,630</u>	<u>2,347</u>	54.67
Net assets	8(xxvi)	<u>43,754</u>	<u>51,261</u>	(14.64)	<u>19,914</u>	<u>21,152</u>	(5.85)

³ Please refer to Section F (Other information required by Appendix 7C to the Catalist Rules) of this announcement.

	31 December 2023 S\$'000 Unaudited	Group 31 December 2022 S\$'000 Audited	Change %	31 December 2023 S\$'000 Unaudited	Company 31 December 2022 S\$'000 Audited	Change %
Note ³						
Equity attributable to owners of the parent						
Share capital	66,666	66,666	0.00	66,666	66,666	0.00
Accumulated losses	(21,424)	(18,820)	13.84	(46,887)	(49,315)	(4.92)
Other reserves	(17)	4,781	NM*	135	3,801	(96.42)
	<u>45,225</u>	<u>52,627</u>	(14.07)	<u>19,914</u>	<u>21,152</u>	(5.85)
Non-controlling interests	(1,471)	(1,366)	7.69	-	-	NM*
Total equity	<u>43,754</u>	<u>51,261</u>	(14.64)	<u>19,914</u>	<u>21,152</u>	(5.85)
Total equity and liabilities	<u>106,368</u>	<u>108,861</u>	(2.29)	<u>23,544</u>	<u>23,499</u>	0.19

*NM – not meaningful

- B.**
(ii) Aggregate amount of group's borrowing and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less

As at 31 December 2023		As at 31 December 2022	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	21,262	-	11,940

Amount repayable after one year

As at 31 December 2023		As at 31 December 2022	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	4,729	-	2,448

Details of any collateral

The bank loans and invoice financing of subsidiaries are secured by corporate guarantees provided by the Company.

For the avoidance of doubt, the Group does not classify bank loans and invoice financing which are secured by corporate guarantees as secured borrowings as they are not tied to any specific asset of the Group.

C. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	6 months ended		12 months ended	
	31 December 2023 Unaudited S\$'000	31 December 2022 Audited S\$'000	31 December 2023 Unaudited S\$'000	31 December 2022 Audited S\$'000
Operating activities				
Loss before income tax	(3,544)	(16,732)	(5,776)	(14,657)
Adjustments for:				
Allowance for inventory obsolescence	-	341	-	343
Amortisation of intangible assets	83	12	219	14
Amortisation of land use rights	25	28	52	57
Amortisation of right-of-use assets	1,907	1,604	3,392	2,523
Depreciation of property, plant and equipment	954	1,486	2,787	2,818
Finance costs	1,166	881	1,875	1,412
Gain on disposal of property, plant and equipment	-	(4)	-	(4)
Loss allowance on amount due from an associate and investment in associate	59	9,862	59	9,862
Loss allowance on trade receivables	-	180	-	180
Interest income	(81)	(80)	(123)	(92)
Inventories written off	-	30	-	30
Share of loss of an associate	-	2,753	-	2,753
Share option expenses	36	46	74	77
Unrealised exchange difference	(426)	(276)	(48)	(276)
Operating cash flows before working capital changes	179	131	2,511	5,040
Working capital changes				
Inventories	6,900	3,551	11,528	3,205
Trade receivables	6,500	18,995	(12,998)	15,541
Other receivables and deposits	2,472	5,608	1,469	2,998
Prepayments	1,122	(197)	137	(253)
Trade payables	(2,209)	(5,854)	(1,991)	(5,183)
Other payables and accruals	(693)	(2,038)	(1,735)	(2,201)
Provision for retirement benefit obligations	(90)	(9)	(90)	(9)
Due from associates	43	-	-	-
Cash generated from/(used in) operations	14,224	20,187	(1,169)	19,138
Interest received	50	11	77	23
Tax refund	230	-	230	-
Income tax paid	(1,076)	(512)	(1,806)	(1,328)
Net cash generated from/(used in) operating activities	13,428	19,686	(2,668)	17,833
Investing activities				
Acquisition of short-term investments	(937)	(6,010)	(4,519)	(10,114)
Proceeds from disposal of short-term investments	3,081	7,850	4,565	10,183
Acquisition of a subsidiary, net of cash acquired	-	(1,500)	-	(2,871)
Proceeds from disposal of property, plant and equipment	-	4	-	4
Purchase of intangible assets	(1,978)	(394)	(1,978)	(394)
Purchase of property, plant and equipment	(1,060)	(2,668)	(1,764)	(3,691)
Loan to an associate	(56)	-	(56)	-
Acquisition of investment in an associate	-	-	(3)	-
Net cash used in investing activities	(950)	(2,718)	(3,755)	(6,883)

Group

	6 months ended		12 months ended	
	31 December 2023 Unaudited S\$'000	31 December 2022 Audited S\$'000	31 December 2023 Unaudited S\$'000	31 December 2022 Audited S\$'000
Financing activities				
Proceeds from bank loans	42,544	29,163	94,016	79,614
Repayment of bank loans	(48,034)	(39,653)	(82,065)	(83,998)
Initial payment of obligation under leases	-	(1,828)	-	(3,216)
Repayments of principal of lease liabilities	(1,838)	(1,385)	(3,598)	(2,403)
Repayment of interest of lease liabilities	(439)	(106)	(439)	(243)
Interest paid	(727)	(776)	(1,436)	(1,169)
Net cash (used in)/generated from financing activities	(8,494)	(14,585)	6,478	(11,415)
<i>Net increase/(decrease) in cash and cash equivalents</i>	3,984	2,383	55	(465)
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	(225)	(170)	(323)	(121)
<i>Cash and cash equivalents at beginning of period/year</i>	11,124	12,938	15,151	15,737
Cash and cash equivalents at end of the period/year	14,883	15,151	14,883	15,151

D. CONDENSED STATEMENTS OF CHANGES IN EQUITY

(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Capital reserve	Statutory reserve fund	Foreign currency translation reserves	Share options reserves	Accumulated losses	Equity Non-controlling interests	Total attributable to owners of the parent	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>										
Balance as at 1 January 2023	66,666	-	1,473	(615)	3,801	(18,820)	122	52,627	(1,366)	51,261
Net loss for the financial period	-	-	-	-	-	(6,434)	-	(6,434)	(138)	(6,572)
Other comprehensive income for the financial period										
Remeasurement of defined benefit scheme	-	-	-	-	-	90	-	90	-	90
Exchange differences arising from translation of foreign operations	-	-	-	(1,132)	-	-	-	(1,132)	33	(1,099)
Total comprehensive income for the financial period	-	-	-	(1,132)	-	(6,344)	-	(7,476)	(105)	(7,581)
Total transactions with owners, recognised directly in equity										
Share option expenses	-	-	-	-	74	-	-	74	-	74
Expiry of share options	-	-	-	-	(3,740)	3,740	-	-	-	-
Balance as at 31 December 2023	66,666	-	1,473	(1,747)	135	(21,424)	122	45,225	(1,471)	43,754

	Share capital	Capital reserve	Statutory reserve fund	Foreign currency translation reserves	Share options reserves	Accumulated losses	Equity Non-controlling interests	Total attributable to owners of the parent	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group										
Balance as at 1 January 2022	63,416	-	1,473	962	3,724	(3,360)	132	66,347	(1,222)	65,125
Net loss for the financial year	-	-	-	-	-	(14,904)	-	(14,904)	(189)	(15,093)
Other comprehensive income for the financial period										
Remeasurement of defined benefit scheme	-	-	-	-	-	(556)	-	(556)	-	(556)
Exchange differences arising from translation of foreign operations	-	-	-	(1,577)	-	-	-	(1,577)	35	(1,542)
Total comprehensive income for the financial period	-	-	-	(1,577)	-	(15,460)	-	(17,037)	(154)	(17,191)
Total transactions with owners, recognised directly in equity										
Issue of ordinary shares	3,250	-	-	-	-	-	-	3,250	-	3,250
Share option expenses	-	-	-	-	77	-	-	77	-	77
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	(10)	(10)	10	-
	3,250	-	-	-	77	-	(10)	3,317	10	3,327
Balance as at 31 December 2022	66,666	-	1,473	(615)	3,801	(18,820)	122	52,627	(1,366)	51,261

D.
(i) Condensed statement of changes in equity (cont'd)

	Share capital	Share options reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Company</u>				
Balance as at 1 January 2023	66,666	3,801	(49,315)	21,152
Loss for the financial year	-	-	(1,297)	(1,297)
Total comprehensive income for the financial year	-	-	(1,297)	(1,297)
Expiry of share options	-	(3,740)	3,725	(15)
Share option expenses	-	74	-	74
Total transactions with owners, recognised directly in equity	-	(3,666)	3,725	59
Balance as at 31 December 2023	66,666	135	(46,887)	19,914
Balance at 1 January 2022	63,416	3,724	(35,677)	31,463
Loss for the financial year	-	-	(13,638)	(13,638)
Total comprehensive income for the financial year	-	-	(13,638)	(13,638)
Issue of ordinary shares	3,250	-	-	3,250
Share option expenses	-	77	-	77
Total transactions with owners, recognised directly in equity	3,250	77	-	3,327
Balance as at 31 December 2022	66,666	3,801	(49,315)	21,152

E. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

GSS Energy Limited (the “**Company**” or “**GSS**”) is a public company limited by shares incorporated and domiciled in Singapore. The Company has been listed on the Catalist board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 12 February 2015. The Company’s registration number is 201432529C. Its registered office is at 141 Cecil Street, #07-06 Tung Ann Association Building, Singapore 069541 and its principal place of business is at Blk 4012 Ang Mo Kio Ave 10, #05-01 Techplace 1, Singapore 569628.

The principal activities of the Group are:

- (a) manufacture and sale of microshafts and other precision parts;
- (b) assembly of mechanisms used in computers and a range of electronic products;
- (c) sale and distribution of consumer electronics and other products
- (d) manufacture and distribution of motor bike;
- (e) investment in electronic vehicles (“**EV**”) sector, market and promote EV total solution including providing advisory or solution on manufacture and assemble electric bikes, swapping and charging stations and software development; and
- (f) investing in oil and gas exploration through associated company.

2. Basis of Preparation

The condensed financial statements 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* issued by the Accounting Standards Council Singapore. The condensed 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 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.

2.1 New and amended standards adopted by the Group

On 1 January 2023, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in material changes to the Group’s accounting policies and had no material effect on the amounts reported for the current financial period.

2.2 Use of estimates and judgements

In preparing the condensed 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 December 2022.

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

3. Seasonal operations

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

4. Segment and revenue information

The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer and the Group's Chief Financial Officer review internal management reports at least on a half yearly basis.

The Group has three (3) reportable segments, being Mechanisms, Microshafts and Electric Vehicle.

4.1 Reportable segments

Segments	Mechanisms S\$'000	Microshafts S\$'000	Electric Vehicle S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
2H2023						
Revenue						
External customers	51,138	8,142	(64)	-	-	59,216
Intersegment revenues	6,400	1,102	104	90	(7,696)	-
Total revenue	<u>57,538</u>	<u>9,244</u>	<u>40</u>	<u>90</u>	<u>(7,696)</u>	<u>59,216</u>
Results						
Operating loss	(133)	(232)	(1,962)	(132)	-	(2,459)
Interest income						81
Finance costs						(1,166)
Income tax expenses						62
Non-controlling interests						117
Net loss to owners of the parent						<u>(3,365)</u>
2H2023						
Other segment information						
Capital expenditure	124	39	897	-	-	1,060
Depreciation and amortisation	2,221	532	215	1	-	2,969
2H2022						
Revenue						
External customers	54,247	8,428	6	-	-	62,681
Intersegment revenues	(15,785)	27,361	-	270	(11,846)	-
Total revenue	<u>38,462</u>	<u>35,789</u>	<u>6</u>	<u>270</u>	<u>(11,846)</u>	<u>62,681</u>
Results						
Operating profit/(loss)	(2,458)	707	(922)	(10,505)	-	(13,178)
Interest income						80
Finance costs						(881)
Income tax expenses						336
Non-controlling interests						151
Share of loss of an associate						(2,753)
Net profit to owners of the parent						<u>(16,245)</u>

Segments	Mechanisms	Microshafts	Electric Vehicle	Unallocated segment	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2022						
Other segment information						
Addition to right-of-use assets	(11,753)	-	-	-	-	(11,753)
Addition to intangible assets	(2)	(54)	(338)	-	-	(394)
Capital expenditure	2,943	(320)	(738)	-	-	1,885
Depreciation and amortisation	(2,626)	(394)	(109)	(1)	-	(3,130)
Inventories written off	2	(30)	-	-	-	(28)
12M2023 Revenue						
External customers	100,016	18,139	43	-	-	118,198
Intersegment revenues	16,966	2,171	104	180	(19,421)	-
Total revenue	116,982	20,310	147	180	(19,421)	118,198
Results						
Operating profit/(loss)	349	(231)	(2,975)	(1,167)	-	(4,024)
Interest income						123
Finance costs						(1,875)
Income tax expenses						(796)
Non-controlling interests						138
Net loss to owners of the parent						(6,434)
As at 31 December 2023						
Segment assets and liabilities						
Segment assets	70,907	20,112	15,227	122	-	106,368
Segment liabilities	55,538	4,662	2,028	386	-	62,614
12M2023 Other segment information						
Addition to property, plant and equipment	484	256	1,024	-	-	1,764
Addition to right of-use	-	-	-	-	-	-
Depreciation and amortisation	4,832	1,199	419	1	-	6,451

Segments	Mechanisms	Microshafts	Electric Vehicle	Unallocated segment	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

12M2022 Revenue

External customers	109,697	19,988	6	-	-	129,691
Intersegment revenues	2,287	28,248	-	270	(30,805)	-
Total revenue	111,984	48,236	6	270	(30,805)	129,691

Results

Operating profit/(loss)	687	1,328	(1,569)	(11,030)	-	(10,584)
Interest income						92
Finance costs						(1,412)
Income tax expenses						(436)
Non-controlling interests						189
Share of loss of an associate						(2,753)
Net profit to owners of the parent						(14,904)

As at 31 December 2022

Segment assets and liabilities

Segment assets	79,121	18,408	11,215	117	-	108,861
Segment liabilities	51,204	4,695	1,498	203	-	57,600

12M2022

Other segment information

Addition to property, plant and equipment	(2,158)	(515)	(1,018)	-	-	(3,691)
Addition to right-of-use assets	(11,753)	-	-	-	-	(11,753)
Addition to intangible assets	(2)	(54)	(338)	-	-	(394)
Depreciation and amortisation	(4,162)	(1,080)	(169)	(1)	-	(5,412)
Inventories written off	-	(30)	-	-	-	(30)

Geographical Segments

	Non-current assets ⁽¹⁾		Group expenditure	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	15,093	12,465	240	5,235
Indonesia	18,778	20,956	425	2,315
China	5,555	5,941	1,099	465
Thailand	397	1,316	-	1,427
Other countries	58	507	-	-
	39,881	41,185	1,764	9,442

(1) Non-current assets exclude Goodwill.

4.2 Disaggregation of revenue

Segments	Mechanisms		Microshafts		Electric Vehicle		Total	
	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Primary geographical markets</u>								
Singapore	5,726	8,791	(630)	1,051	9	-	5,105	9,842
Indonesia	39,498	43,068	341	354	1	-	39,840	43,422
Italy	-	-	1,828	-	-	-	1,828	-
Germany	32	35	784	716	-	-	816	751
China	1,819	605	4,132	2,897	13	-	5,964	3,502
Thailand	-	-	135	351	(88)	-	47	351
Malaysia	76	16	553	597	-	-	629	613
Japan	1,205	611	48	18	-	-	1,253	629
Others	2,92	1,513	807	2,450	-	-	3,734	3,963
	51,283	54,639	7,998	8,434	(65)	-	59,216	63,073

<u>Type of goods or services</u>								
Sale of goods	46,247	52,700	7,998	8,434	(65)	-	54,180	61,134
Services rendered	5,036	1,939	-	-	-	-	5,036	1,939
	51,283	54,639	7,998	8,434	(65)	-	59,216	63,073

<u>Timing of transfer of goods and services</u>								
Point in time	51,283	54,639	7,998	8,434	(65)	-	59,216	63,073

Segments	Mechanisms		Microshafts		Electric Vehicle		Total	
	12M2023	12M 2022	12M 2023	12M 2022	12M 2023	12M 2022	12M 2023	12M 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Primary geographical markets</u>								
Singapore	11,854	15,726	856	2,193	9	-	12,719	17,919
Indonesia	79,467	89,603	651	896	1	-	80,119	90,499
Italy	-	-	1,828	2,435	-	-	1,828	2,435
Germany	88	72	1,624	1,591	-	-	1,712	1,663
China	2,112	1,096	6,733	5,606	30	-	8,875	6,702
Thailand	-	-	319	604	2	-	321	604
Malaysia	118	43	1,012	1,236	-	-	1,130	1,279
Japan	1,205	1,152	48	60	-	-	1,253	1,212
Others	5,367	2,005	4,874	5,367	-	6	10,241	7,378
	100,211	109,697	17,945	19,988	42	6	118,198	129,691

<u>Type of goods or services</u>								
Sale of goods	88,259	98,885	17,945	19,988	42	6	106,246	118,879
Services rendered	11,952	10,812	-	-	-	-	11,952	10,812
	100,211	109,697	17,945	19,988	42	6	118,198	129,691

<u>Timing of transfer of goods and services</u>								
Point in time	100,211	109,697	17,945	19,988	42	6	118,198	129,691

5. Financial assets and financial liabilities

An overview of the financial assets and financial liabilities of the Group as at 30 December 2023 and 31 December 2022 is set out below:

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
Financial assets				
Financial assets measured at amortised cost	58,129	27,175	7,139	7,145
Financial liabilities				
Financial liabilities measured at amortised cost	52,560	53,837	3,630	2,347

6. 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 consolidated statement of profit or loss are:

	Group			
	2H2023 S\$'000	2H2022 S\$'000	12M2023 S\$'000	12M2022 S\$'000
Taxation charge for the financial period comprises:				
Current income tax				
- current financial year	204	(197)	1,089	602
- over provision in respect of prior financial years	(266)	340	(293)	340
Deferred income tax				
- current financial year	-	(482)	-	(509)
- over provision in respect of prior financial years	-	3	-	3
	(62)	(336)	796	436

7. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to S\$1,060,000 (2H2022: S\$2,668,000) and the value of assets disposed/written off was nil (2H2022: nil).

During the twelve months ended 31 December 2023, the Group acquired assets amounting to S\$1,764,000 (12M2022: S\$3,691,000) and the value of assets disposed/written off was nil (12M2022: nil).

8. Share capital

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 consolidated statement of profit or loss are:

	Group and Company			
	31 December 2023 Number of ordinary shares	31 December 2022 Number of ordinary shares	31 December 2023 S\$'000	31 December 2022 S\$'000
Issued and paid-up:				
At the beginning of period/year	630,192	580,192	66,666	63,416
-Issue of ordinary shares	-	50,000	-	3,250
At the end of period/year	630,192	630,192	66,666	66,666

There were no treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

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

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i)

An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section A (*Condensed consolidated statement of profit or loss and other comprehensive income*) of this announcement.

1(a)(ii)

Notes to the consolidated statement of comprehensive income.

Please refer to Section E (*Notes to the condensed consolidated financial statements*) of this announcement.

1(b)(i)

A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Please refer to Section B (*Condensed statements of financial position*) of this announcement.

1(b)(ii)

In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Please refer to Section B (*Condensed statements of financial position*) of this announcement.

1(c)

A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section C (*Condensed consolidated statement of cash flows*) of this announcement.

1(d)(i)

A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section D (*Condensed statements of changes in equity*) of this announcement.

1(d)(ii)

Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During 1H2023 and 2H2023, no warrants were issued (1H2022: 40,500,000 and 2H2022: Nil) and no warrants were exercised (1H2022: Nil and 2H2022: Nil). As at 31 December 2023, the number of shares that may be issued on

exercise of all the outstanding warrants was 40,500,000 (31 December 2022: 40,500,000) which represented approximately 6.43% (31 December 2022: 6.43%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

The GSS Energy Limited Executives' Share Option Scheme (the "**GEL Scheme**") and GSS Energy Limited 2018 Executives' Share Option Scheme (the "**GEL 2018 Scheme**") were approved by the shareholders at the annual general meeting on 22 April 2016 and 23 April 2018, respectively. During 2H2023, no share options (2H2022: Nil) were granted or exercised under the GEL Scheme and GEL 2018 Scheme. As at 31 December 2023, the number of shares that may be issued on conversion of all the outstanding share options was 4,000,000 (31 December 2022: 20,123,000) which represented approximately 0.63% (31 December 2022: 3.19%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

Number of outstanding convertibles								
Date of grant	Exercise price	Balance as at 1 July 2023	Granted during the current financial period	Exercised during the current financial period	Cancelled / lapsed during the current financial period	Balance as at 31 December 2023	Balance as at 31 December 2022	Exercise period
Warrants								
30 March 2022 ⁽¹⁾	S\$0.07054	40,500,000	-	-	-	40,500,000	40,500,000	(a) In respect of 13,500,000 warrants, they can be exercised commencing on the first (1st) anniversary, 30 March 2023 to 29 March 2027; (b) In respect of 13,500,000 warrants, they can be exercised commencing on the second (2nd) anniversary, 30 March 2024 to 29 March 2027; (c) In respect of 13,500,000 warrants, they can be exercised commencing on the third (3rd) anniversary, 30 March 2025 to 29 March 2027.
Share options								
23 February 2018	S\$0.12512	-	-	-	-	-	15,123,000	23 February 2021 to 22 February 2023
9 March 2022 ⁽²⁾	S\$0.05664	4,000,000 ⁽³⁾	-	-	-	4,000,000	5,000,000	10 March 2024 to 9 March 2027

Notes:

- (1) Please refer to the announcement in relation of the issue of warrants upon completion of the acquisition of Edison Motors, dated 30 March 2022⁴.
- (2) Please refer to the announcement in relation of the grant of share options, dated 10 March 2022⁵. The Company had on 10 March 2022, announced the grant of 6,000,000 employee share options to eligible persons under the GEL Scheme. Eventually, there were only 5,000,000 employee share options which were granted.
- (3) The Company would like to highlight that there was an inadvertent error in the financial results announcement dated 14 August 2023⁶ for the half year period ended 30 June 2023. To clarify, the balance share options as at 30 June 2023 should be 4,000,000 instead of 5,000,000 pursuant to the cancellation of 1,000,000 share options resulting from the resignation of an employee during the half year ended 30 June 2023.

Save as disclosed above, there were no other convertibles as at 31 December 2023 and 31 December 2022. As at 31 December 2023, the number of shares that may be issued on conversion of all of the outstanding convertibles was 44,500,000 (31 December 2022: 60,623,000), which represented approximately 7.06% (31 December 2022: 9.62%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

⁴ https://links.sgx.com/FileOpen/SGX-GSSEL-%20ANNOUNCEMENT_COMPLETION.ashx?App=Announcement&FileID=709092.

⁵ https://links.sgx.com/FileOpen/SGX-GSSEL_Share_Options_Grant_20220310.ashx?App=Announcement&FileID=706794.

⁶ <https://links.sgx.com/FileOpen/SGX-GSSEL-FP2023%201H%20Announcement.ashx?App=Announcement&FileID=769168>.

1(d)(iii)

To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	31 December 2023	31 December 2022
Total number of issued shares excluding treasury shares	630,191,957	630,191,957

1(d)(iv)

A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on (31 December 2022: Nil).

1(d)(v)

A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on (31 December 2022: Nil).

2 Please state whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the external auditors of the Company.

3 Where the figures have been audited, please provide a statement on whether there are any qualifications, disclaimer of opinion, adverse opinion or emphasis of matter (including material uncertainties on going concern).

Not applicable as the figures have not been audited or reviewed by the external auditors of the Company.

3A 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.**
- (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements were not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

4 Please state whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2 (*Basis of Preparation*) of Section E (*Notes to the condensed consolidated financial statements*) of this announcement.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2 (*Basis of Preparation*) of Section E (*Notes to the condensed consolidated financial statements*) of this announcement.

- 6 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:**
- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2H2023 Singapore cents	2H2022 Singapore cents	12M2023 Singapore cents	12M2022 Singapore cents
Earnings per ordinary share for the period:				
(a) Based on the weighted average number of ordinary shares on issue during the period	(0.56)	(2.59)	(1.04)	(2.41)
Weighted average number of ordinary shares	630,191,957	630,191,957	630,191,957	618,137,162
(b) on a fully diluted basis	(0.52)	(2.59)	(1.04)	(2.41)
Adjusted weighted average number of ordinary shares	630,191,957	630,191,957	630,191,957	618,137,162

44,500,000 warrants and share options were not included in the computation of diluted earnings per ordinary share for 2H2023 and 2H2022 as the average market prices during the period were below the exercise prices, thus rendering the potential ordinary shares anti-dilutive (2H2022: 60,623,000).

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 December 2023 Singapore cents	31 December 2022 Singapore cents	31 December 2023 Singapore cents	31 December 2022 Singapore cents
Net assets value per ordinary share	6.94	8.13	3.16	3.36
Net tangible assets value per ordinary share	4.99	4.35	3.16	3.36

The net assets value per share for the period ended 31 December 2023 is calculated based on the share capital of the Company (excluding treasury shares) in issue at the end of the period of 630,191,957 ordinary shares (31 December 2022: 630,191,957 ordinary shares).

- 8 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 reported 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.

General

- (i) The Group is engaged largely in the precision engineering business ("PE") and electronic vehicles business ("EV") and retains a non-operational interest in oil and gas services business ("O&G").

Condensed consolidated statement of profit or loss and other comprehensive income

- (ii) The Group recorded a turnover of S\$118.20 million during 12M2023, a decrease of 8.86% from S\$129.69 million in 12M2022. This is mainly attributable to the weak demand from both the consumer and industrial markets and overstocking in the supply chain. The challenging global economy with inflationary pressure, high interest rates, ongoing wars, and US and China relations have collectively resulted in softer demand in the goods produced by the Group under its PE business, and accordingly the Group recorded the lower turnover.
- (iii) The Group achieved a lower gross margin of 9.99% for 12M2023 as compared to 12.22% for 12M2022. This is mainly attributable to the fact that the costs of sales for the Group remaining high resulting from the factory operating costs in 12M2023 including amortisation for right-of-use assets for new production lines added in 2Q2022 and 3Q2022, manpower, electricity & water, and rental rates continuing to rise in the locations where the factories of the Group are operating. The lower gross margin is also attributable to lower turnover recorded as explained in sub-paragraph 8(ii) above, which was not accompanied by a similar percentage of decrease in the cost of sales incurred by the Group (notwithstanding that the cost of sales decreased by 6.55% from 12M2022 due to the reduction in goods sold by the Group). Pursuant to the above-mentioned factors, gross profit decreased by 25.49% from 12M2022 to 12M2023.
- (iv) The Group's other income was S\$0.68 million for 12M2023 as compared to S\$0.89 million in 12M2022. This decrease is due to lesser grant assistance provided by Singapore authorities and recorded as other income by the Group in 12M2023.
- (v) Interest income for 12M2023 was S\$0.12 million, compared to S\$0.09 million in 12M2022. The increase in interest income was in line with higher amount and longer period placed by the Group with financial institutions as short-term financial assets.
- (vi) Finance costs for 12M2023 was S\$1.88 million, compared to S\$1.41 million in 12M2022. The increase was due to the higher drawdown of loan facilities to finance working capital requirements. The borrowing cost compared to the corresponding period in 12M2022 has gone up following the interest rate adjustments across various financial institutions.
- (vii) Loss allowance of trade receivables and amount due from an associate for 12M2023 was S\$0.06 million, compared to S\$10.04 million for 12M2022. In 12M2023, the Group provided for allowance of S\$0.06 million for the amount due from an associate, Synergic Modern Sdn. Bhd. In 12M2022, the Company impaired its investment in an associate, PT Sarana GSS Trembul (“PT SGT”) and the amount due from an associate, PT SGT. For further information, please refer to announcements dated 17 January 2024⁷ and 28 December 2022⁸.
- (viii) Income tax expenses for 12M2023 was S\$0.80 million, compared to S\$0.44 million in 12M2022. The increase in taxation charge for 12M2023 was due to higher profit recorded at profit-making business units and additional taxation charges for 12M2022. The Group's income tax expense is provided based on the statutory tax rates of the respective countries that the Group operates in.
- (ix) Remeasurement of defined benefit pension scheme for 12M2023 was S\$0.09 million, compared to S\$(0.56) million in 12M2022. The decrease in amount was mainly due to reduction in discount rates applied in the computation, based on the lower average year of service and number of employees as at end of 12M2023 as compared to that as at the end of 12M2022. Exchange differences arising from translation of foreign operations in 12M2023 was S\$(1.09) million, compared to S\$(1.54) million in 12M2022, where the decrease is due to the depreciation of foreign operation currencies against our presentation currency.
- (x) The higher amortisation of intangible assets for 12M2023 of S\$0.22 million as compared to 12M2022 is due to the commencement of amortisation of intellectual properties arising from the acquisition of Edison Motors Co., Ltd in 12M2022.

⁷ https://links.sgx.com/FileOpen/SGX_GSSEL_Disposal%20of%20interest%20in%20an%20associated%20company.ashx?App=Announcement&FileID=783177.

⁸ <https://links.sgx.com/FileOpen/SGX-GSSEL-Termination%20of%20KSO%20Agreement%20with%20PT%20Sarana%20GSS%20Trembul%20by%20Pertamina.ashx?App=Announcement&FileID=742718>.

- (xi) The lower amortisation of right-of-use assets for 12M2023 of S\$3.39 million as compared to 12M2022 of S\$2.52 million was mainly attributable to amortisation of certain machines which were purchased by the Group in the earlier part of 2023.
- (xii) The Group recorded a net foreign exchange loss of S\$0.01 million for 12M2023 as compared to S\$0.08 million for 12M2022. The decreased loss in 12M2023 was mainly due to smaller foreign exchange movements of United States Dollars against other currencies. Customer receipts of the Group are mainly in United States Dollars. Other than the foreign exchange loss included in other expenses, the Group recorded an increase in other expenses of 83% from S\$0.50 million in 12M2022 to S\$0.92 million in 12M2023, which is mainly attributable to expensing off the coffee machine project, and netting off the allowance for inventory obsolescence.
- (xiii) The Group recorded an operating loss of S\$3.85 million for 12M2023 (12M2022: S\$0.45 million). PE achieved an operating profit of S\$0.18 million (12M2022: S\$2.02 million) while EV recorded a loss of S\$2.98 million (12M2022: S\$1.57 million). The operating loss under unallocated segment was attributed to corporate expenses for the Company. The Group recorded a net loss of S\$5.78 million before taxation, mainly contributed by the EV segment for business development and research costs, higher financing costs with elevated interest rate, and softer demand amid a weak economy and geopolitical tensions.

Condensed statement of financial position

- (xiv) Property, plant and equipment as at 31 December 2023 was S\$22.61 million. The decrease of S\$1.21 million from 31 December 2022 was after accounting for acquisition of machineries and equipment to upgrade machining capabilities and replace aged machines used in production, and addition of tooling-in-progress for EV business. This was offset by depreciation of S\$2.81 million for 12M2023.
- (xv) Intangible assets as at 31 December 2023 was S\$3.17 million. The increase of S\$1.72 million from 31 December 2022 was mainly due to capitalise S\$2.03 million of assets which are development in progress. This was offset by amortisation of S\$0.22 million for 12M2023.
- (xvi) Right-of-use assets as at 31 December 2023 amounted to S\$12.29 million, a decrease of S\$2.41 million from 31 December 2022. The decrease was due to amortisation of right-of-use assets for 12M2023.
- (xvii) Inventories as at 31 December 2023 was S\$18.30 million, a decrease of S\$11.76 million from 31 December 2022. The decrease was due to the utilisation of inventories which were previously built up due to instructions from customers and cutting down of inventory holdings in response to the slowing down of orders in the financial period ended 31 December 2023, and utilisation of inventories for developing EV. This in turn allowed the Group to manage its trade payables with marginal decrease from S\$20.93 million as at 31 December 2022 to S\$19.21 million as at 31 December 2023.
- (xviii) Trade receivables as at 31 December 2023 was S\$24.15 million as compared to S\$11.10 million as at 31 December 2022. The increase is mainly due to a subsidiary of the Group exiting from an early payment program⁹ for its receivables from one of its major customers.
- (xix) Other receivables and deposits as at 31 December 2023 amounted to S\$2.04 million, a decrease of S\$1.50 million from 31 December 2022. This was mainly attributable to expensing off S\$0.85 million for development cost for coffee machine project, and the reclassification of S\$0.89 million of deposits and advance to tooling-in-progress and development cost.
- (xx) Prepayments as at 31 December 2023 was S\$0.34 million, a decrease of S\$0.14 million from 31 December 2022 after netting off prepayments with the tax provision for a subsidiary of the Group in 12M2023. Prepaid expenses such as insurance premium, office rentals, professional services and licensing, were incurred for the purpose of business operations.
- (xxi) The other payables and accruals (both current and non-current) as at 31 December 2023 was S\$6.43 million. The decrease of S\$1.70 million from 31 December 2022 was mainly attributable to the settlement

⁹ The early payment program of the major customer of the Group allows for early receipt of payments (at a discounted rate) from such major customer as compared to the Group's usual payment terms. The Group exited from such program in 2Q2023 due to changes in the terms offered under the program.

during 1H2023 of the final tranche of the consideration for a subsidiary, Edison Motors Co., Ltd which was acquired on 30 March 2022.

- (xxii) Income tax payable as at 31 December 2023 was S\$0.04 million. This was a decrease of S\$0.50 million from 31 December 2022 due to income tax payment which was settled and a lower profit recorded at profit-making business units during 12M2023.
- (xxiii) Lease liabilities (both current and non-current) as at 31 December 2023 was S\$8.69 million. The decrease of S\$2.52 million from 31 December 2022 was mainly due to repayment of lease liabilities.
- (xxiv) Loan and borrowings (both current and non-current) as at 31 December 2023 was S\$25.99 million, an increase of S\$11.60 million from 31 December 2022. The increase was mainly due to (a) a subsidiary of the Group exiting from an early payment program of a major customer of the Group as described in sub-paragraph 8(xviii), and the Group obtaining financing from financial institutions in lieu of the participation in such early payment program; and (b) increased loans and borrowings to meet working capital requirements for PE business and to drive EV business development.
- (xxv) Deferred tax liabilities as at 31 December 2023 was S\$0.28 million. The decrease of S\$0.04 million from 31 December 2022 was mainly due to effects of currency translation. Deferred tax assets was S\$0.70 million as at 31 December 2023 compared to S\$0.56 million as at 31 December 2022. The increase was mainly attributable to one of our subsidiaries' carry-forward of net operating losses and an increase in temporary differences expected to be deductible in future periods.
- (xxvi) The net assets of the Group as at 31 December 2023 was S\$43.75 million compared to S\$51.26 million as at 31 December 2022. Net assets per share as at 31 December 2023 was S\$0.0694 compared to S\$0.0813 as at 31 December 2022.

Condensed consolidated statement of cash flows

- (xxvii) The Group incurred a net operating cash outflow of S\$2.67 million for 12M2023 mainly due to the exit from a subsidiary of the Group from an early payment program of a major customer of the Group. Please refer to sub-paragraphs 8(xviii) and 8(xxiv) for more details.
- (xxviii) Net cash used in investing activities during the period was S\$3.76 million. This includes S\$1.76 million for acquiring machines and equipment, and S\$1.98 million for developing the EV business.
- (xxix) Net cash generated from financing activities amounted to S\$6.48 million for 12M2023. These included proceeds of S\$94.02 million from loan and borrowings (refer to sub-paragraphs 8(xv) and 8(xxii) for more details), and was offset by S\$4.04 million for repayment of obligations under lease liabilities (principal and interest) arising from right-of-use assets, S\$82.07 million for repayment of loan and borrowings and S\$1.44 million for interest paid.
- (xxx) Net cash and cash equivalents as at 31 December 2023 stood at S\$14.88 million, a decrease of S\$0.27 million from 31 December 2022 of S\$15.15 million.

9 Where a forecast or prospect statement ("Prospect Statement") has been made and disclosed to shareholders, any variances between the forecast and actual results has been explained.

No Prospect Statement has been previously disclosed to shareholders.

10 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.

In the face of challenging global economic landscape marked by high interest rate environment and inflationary cost pressure, the Group expects that the PE business will continue to perform resiliently and remain competitive for the next 12 months. Despite the macroeconomic affecting consumer confidence, the PE business remains focused on engineering products development, both on the design manufacturing and original specific manufacturing. This is to prepare the Group to be ready when the economy picks up. The Group continues to receive strong order support from existing customers, both for the Mechanisms and the Microshaft segments. The Board believes that this is a

testament to the strength and efficiency in manufacturing, and quality products which the Group has delivered. The Group continues to actively engage with new potential customers in these two segments.

On the EV business, the Group has started production of electric motorcycles and sales are expected in 2024. Concurrently, further product development and enhancement efforts are underway. As of the date of this announcement, we wish to provide an update on the Group's current schedule (barring any unforeseen circumstances):

Hong Kong & Thailand	The Group is expecting sales of electric motorcycles in the 2 nd half of 2024.
Malaysia	The Group has terminated the distributorship agreement with the distributor in Malaysia. Please to the announcement dated 17 January 2024 ¹⁰ for further details. The Group is currently sourcing for new distributor so that homologation and certification work in Malaysia can proceed.

In the event that there are any changes to the schedule, the Group will update its shareholders accordingly.

On the O&G business, we had previously announced that PT SGT received a termination notice from PT Pertamina for the Co-operative Agreement concerning the Trembul Operating Area, effective from 26 September 2022. PT SGT had continued its efforts to seek an appeal for this termination and had requested an extension for completing the work programme in the Trembul Operating Area. As of the date of this announcement, PT SGT is still awaiting a response from PT Pertamina regarding its appeal and request for an extension.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

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) The date the dividend is 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.

¹⁰

https://links.sgx.com/FileOpen/SGX_GSSEL_Disposal%20of%20interest%20in%20an%20associated%20company.ashx?App=Announcement&FileID=783177.

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

The Board has conducted a thorough review of the Group's performance and took into consideration the loss from operations incurred for the 12M2023. In light of this and after considering the Group's ongoing operational needs and expansion plans, the Board determined that prioritising the conservation of financial resources is essential. This approach will allow the Group to support future growth initiatives and, ultimately, aim to enhance shareholder value. Consequently, the Board has decided not to recommend the distribution of a dividend for 12M2023.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for IPTs has been obtained from shareholders. There are no IPTs of S\$100,000 or more during the period under review.

14 Negative confirmation pursuant to Rule 705(5) (not required for announcement on full year results).

Not applicable for announcement on full year results.

15 Please provide a confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that undertakings under Rule 720(1) have been obtained from its directors and executive officers in the format set out in Appendix 7H.

16 Additional information pursuant to Rule 706A.

None, but please refer to the announcement dated 17 January 2024 in relation to the disposal of the Group's interest in Synergic Modern Sdn. Bhd.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

17 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4 (*Segment and revenue information*) of Section E (*Notes to the condensed consolidated financial statements*) of this announcement.

18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Note 4 (*Segment and revenue information*) of Section E (*Notes to the condensed consolidated financial statements*) and Paragraph 8 of Section F (*Other information required by Appendix 7C to the Catalyst Rules*) of this announcement.

19 A breakdown of sales

	Group		Increase/(Decrease)
	12 months ended		
	31 December 2023	31 December 2022	
	S\$'000	S\$'000	
(a) Sales reported for first half year	58,982	67,010	(11.98)%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	(3,069)	1,341	NM*
(c) Sales reported for second half year	59,216	62,681	(5.53)%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	(3,302)	(16,303)	(79.75)%

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

Total Annual Dividend

	FY2023 (S\$'000)	FY2022 (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

- 21 **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 set out in Appendix 7C, Paragraph 20. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying any managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

PART III – GENERAL

- 22 **An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.**

None.

- 23 **Please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.**

There are no remaining unutilised proceeds raised from the IPO and other offerings of the Company.

BY ORDER OF THE BOARD

Anthony Kuek
Chairman

29 February 2024

*This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("the **Sponsor**"). It 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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