



GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201432529C)

MATERIAL VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2023

1. INTRODUCTION

The board of directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, together with its subsidiaries, the “**GSS Energy Group**”) refers to the announcement dated 29 February 2024 in relation to the Group’s unaudited financial statements for the year ended 31 December 2023 (“**FY2023**”) (the “**Unaudited Statements**”) and the Company’s audited financial statements for the FY2023 (the “**Audited Statements**”) included in the Company’s annual report for FY2023 which was announced on SGXNet on 15 April 2024.

2. MATERIAL VARIANCES

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to inform the Company’s shareholders that certain adjustments and reclassifications were made to the Unaudited Statements following the finalisation of the audit by the Company’s external auditor.

Shareholders of the Company are advised to read this announcement in conjunction with the Audited Statements which is included in the annual report of the Company for FY2023 which was announced on SGXNet on 15 April 2024.

The material variances (variances in excess of 5%) between the Unaudited Statements and the Audited Statements are set out below:

Consolidated Statement of Comprehensive Income				
For The Financial Year Ended 31 December 2023				
	Audited Group	Unaudited Group	Variance	Notes
	S\$’000	S\$’000	S\$’000	
Other items of income				
Other income and gains	802	-	802	1(a)
Other income	-	679	(679)	1(a)
Interest income	-	123	(123)	1(a)
Other items of expense				
Distribution costs	(11,610)	(10,780)	(830)	1(b)
Administrative expenses	(4,896)	(4,764)	(132)	1(b)
Other expenses	-	(915)	915	1(b)
Loss allowance on amount due from an associate	-	(56)	56	1(b)

Consolidated Statement of Comprehensive Income				
For The Financial Year Ended 31 December 2023				
	Audited Group	Unaudited Group	Variance	Notes
	S\$'000	S\$'000	S\$'000	
Other losses	(2,367)	-	(2,367)	1(c)
Foreign currency translation	(990)	(1,099)	109	1(c)

EXPLANATORY NOTES ON VARIANCES

Note 1(a):

The variances are due to the consolidation of “Other income” of S\$679,000 and “Interest income” of S\$123,000 from the Unaudited Statements into “Other income and gains” totaling S\$802,000 in the Audited Statements, such reclassification being performed in accordance with guidelines from the Company’s existing auditors, which were appointed on 16 November 2023 (the “**New Auditors**”).

Note 1(b):

The variances are due to (i) S\$830,000 previously reported as “Other expenses” in the Unaudited Statements being reclassified to “Distribution costs¹” in the Audited Statements; (ii) S\$56,000 relating to “Loss allowance on amount due from an associate” in the Unaudited Statements being moved to “Administrative expenses” in the Audited Statements; (iii) share options expense of S\$74,000 previously reported as “Other expenses” in the Unaudited Statements being reclassified to “Administrative expenses” in the Audited Statements; (iv) foreign exchange loss of S\$12,000 previously reported as “Other expenses” in the Unaudited Statements being reclassified to “Other losses” in the Audited Statements. The changes were made to ensure a more accurate allocation of costs to corresponding operational activities in accordance with guidelines from the New Auditors.

Note 1(c):

The variances are due to including “Other losses” in the Audited Statements which is the result of the provision for doubtful debts of S\$2,247,000 and netting off of exchange losses totaling S\$93,000 including (i) a reclassification from foreign exchange differences of S\$109,000 as recorded under “Other expenses” in the Unaudited Statements to “Foreign currency translation” under “Other comprehensive income” in the Audited Statements; (ii) a reclassification of foreign exchange loss of S\$12,000 from “Other expenses” in the Unaudited Statements to “Other losses” in the Audited Statements; and (iii) foreign exchange gain of S\$28,000 omitted in the Unaudited Statements but recorded under “Other losses” in the Audited Statements.

Statement of Financial Position As at 31 December 2023				
	Audited Group	Unaudited Group	Variance	Notes
	S\$'000	S\$'000	S\$'000	
Current assets				
Trade and other receivables	22,462	26,188	(3,726)	2(a)

¹ “Selling and Distribution expenses” in the Unaudited Statements.

Statement of Financial Position As at 31 December 2023				
	Audited Group	Unaudited Group	Variance	Notes
	S\$'000	S\$'000	S\$'000	
Other assets	2,088	613	1,475	2(a)
Equity				
Other reserves	93	(17)	110	2(b)
Accumulated losses	(23,782)	(21,424)	(2,358)	2(c)
Non-current liabilities				
Lease liabilities	5,363	6,099	(736)	2(d)
Retirement benefit obligations	2,201	1,951	250	2(e)
Current liabilities				
Lease liabilities	3,322	2,586	736	2(d)
Trade and other payables	25,385	25,634	(249)	2(e)

EXPLANATORY NOTES ON VARIANCES

Note 2(a):

As explained in Note 1(c) above, this is due to the provision for doubtful debts of S\$2,247,000. Further, there is also a reclassification of S\$1,475,000 under "Other receivables and deposits" in the Unaudited Statements to "Other assets" in the Audited Statements, which included (i) prepayments of S\$339,000; (ii) advances to suppliers of S\$1,236,000; and (iii) deposits to secure services of S\$513,000, in accordance with guidelines from the New Auditors. which also included the combination of "Trade receivables" of S\$21.897 million and "Other receivables and deposits" of S\$565,000 in the Unaudited Statements as "Trade and other Receivables" of S\$22.462 million in the Audited Statements.

Note 2(b):

As explained in Note 1(c) above, this is due to the reclassification of S\$109,000 from foreign exchange differences of S\$109,000 as recorded under "Other expenses" in the Unaudited Statements to "Foreign currency translation" under "Other comprehensive income" in the Audited Statements.

Note 2(c):

As explained in the Notes 1(c) and 2(a) above, it is due to the Provision for doubtful debts S\$2,247,000, and as explained in the Notes 1(c) and 2(b) above, it is due to the reclassification of S\$109,000 from foreign exchange differences as recorded under "Other expenses" in the Unaudited Statements to "Foreign currency translation" under "Other comprehensive income" in the Audited Statements.

Note 2(d):

Due to the reclassification of "Lease liabilities" of S\$736,000 from "Non-current liabilities" in the Unaudited Statements to "Current liabilities" in the Audited Statements, reflecting the amount that is due within the next 12 months as of the financial year ended 31 December

2023. This was due to the inadvertent entry of a lease liability of a subsidiary of the Company under non-current instead of current in the Unaudited Statements.

Note 2(e):

Due to S\$250,000 previously categorised under “Other payables” in the Unaudited Statements being reallocated to “Retirement benefit obligations” in the Audited Statements. Further, there is also a combination of “Trade payables” under “Current liabilities” of S\$19.089 million with “Other payables and other accruals” under “Current liabilities” of S\$6.296 million in the Unaudited Statements as “Trade and other payables” of S\$25.385 million in the Audited Statements, in accordance with guidelines from the New Auditors.

Consolidated Statement of Cash Flows				
For The Financial Year Ended 31 December 2023				
	Audited Group	Unaudited Group	Variance	Notes
	S\$'000	S\$'000	S\$'000	
Net cash flows used in operating activities	(2,673)	(2,668)	(5)	3(a)
Net cash flows used in investing activities	(3,711)	(3,755)	44	3(b)
Net cash flows generated from financing activities	6,130	6,478	(348)	3(c)
Net change in cash and cash equivalents	(254)	55	(309)	3(d)
Effect of exchange rate changes on cash and cash equivalents	(365)	(323)	(42)	3(e)

EXPLANATORY NOTES ON VARIANCES

Notes 3(a), 3(b) and 3(e):

The variances are mainly due to the reclassification of (i) effect of exchange rate changes on depreciation and changes in working capital from operating activities in the Unaudited Statements to “Effect of exchange rate changes on cash and cash equivalents” in the Audited Statements; and (ii) effect of exchange rate changes associated with purchase of intangible assets, property, plant and equipment from “Effect of foreign exchange rate changes in cash and cash equivalents ” in the Unaudited Statements to investing activities in the Audited Statements. Additional minor reclassifications were also made throughout the Audited Statements.

Notes 3(c) & 3(d):

The primary reason for the variances for these line items is the allocation of S\$351,000 under “Cash pledged for bank facilities” as reflected in the Audited Statements, which contributes to the net cash outflows reported. This amount was recorded together with the closing balance of “Cash and Cash Equivalents” under the Unaudited Statements.

3. OTHER NOTES

The Board would like to highlight to shareholders that apart from the above adjustments and reclassifications, there are some other minor immaterial reclassifications made to certain line items in the Audited Statements (as compared to the Unaudited Statements) which do not have any material impact on the Group's financial results.

By Order of the Board
GSS Energy Limited

Anthony Kuek
Chairman
15 April 2024

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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