



ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Condensed interim financial statements
For the six months ended 30 June 2023

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ACESIAN GROUP

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 PERIOD ENDED 30 JUNE 2023 ("1H2023")**

| | | The Group | |
|--|-------|--------------------|---------------|
| | | 1H2023 | 1H2022 |
| | Note | \$'000 | \$'000 |
| Revenue | 4 | 8,140 | 16,683 |
| Cost of sales | | (3,826) | (11,013) |
| Gross profit | | 4,314 | 5,670 |
| Other operating income | 5.1 | 412 | 117 |
| Administrative expenses | | (1,582) | (2,210) |
| Other operating expenses | | (598) | (391) |
| Finance costs | 5.1 | (5) | (17) |
| Profit before tax | 5.1 | 2,541 | 3,169 |
| Income tax expense | 8 | (387) | (608) |
| Profit for the period | | 2,154 | 2,561 |
| Other comprehensive income: | | | |
| Item that may be reclassified subsequently to profit and loss: | | | |
| Exchange differences on translation of foreign operations, net of tax | | 33 | 60 |
| Total comprehensive income for the period, net of tax | | 2,187 | 2,621 |
| Profit/(loss) attributable to: | | | |
| Owners of the Company | | 2,171 | 2,572 |
| Non-controlling interests | | (17) | (11) |
| | | 2,154 | 2,561 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 2,174 | 2,613 |
| Non-controlling interests | | 13 | 8 |
| | | 2,187 | 2,621 |
| 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 | | 0.45 | 0.52 |
| - Diluted | | 0.45 | 0.52 |
| Weighted average number of shares in issue (excluding treasury shares) | | | |
| | 16,17 | 481,245,598 | 498,498,498 |

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

| | Note | The Group | | The Company | |
|---------------------------------------|------|---------------------|---------------------|---------------------|---------------------|
| | | 30-Jun-23 \$'000 | 31-Dec-22 \$'000 | 30-Jun-23 \$'000 | 31-Dec-22 \$'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 1,454 | 1,912 | 156 | 213 |
| Investment in subsidiaries | 15 | - | - | 1,268 | 1,268 |
| | | 1,454 | 1,912 | 1,424 | 1,481 |
| Current assets | | | | | |
| Inventories | 7 | 4,689 | 4,253 | - | - |
| Trade and other receivables | | 2,340 | 3,165 | 3,797 | 1,787 |
| Contract assets | | 548 | 638 | - | - |
| Prepaid operating expenses | | 127 | 100 | 38 | 9 |
| Investment securities | 11 | 981 | - | 981 | - |
| Fixed deposits pledged | | 87 | 90 | 30 | 30 |
| Cash and cash equivalents | 12 | 17,580 | 18,493 | 9,936 | 10,278 |
| | | 26,352 | 26,739 | 14,782 | 12,104 |
| Total assets | | 27,806 | 28,651 | 16,206 | 13,585 |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 9,199 | 11,216 | 515 | 2,321 |
| Contract liabilities | | 58 | 65 | - | - |
| Income tax payable | | 934 | 1,079 | - | - |
| Lease liabilities | 13 | 191 | 378 | 108 | 106 |
| | | 10,382 | 12,738 | 623 | 2,427 |
| Non-current liability | | | | | |
| Lease liabilities | 13 | 84 | 184 | 46 | 101 |
| | | 84 | 184 | 46 | 101 |
| Total liabilities | | 10,466 | 12,922 | 669 | 2,528 |
| Equity | | | | | |
| Share capital | 16 | 20,322 | 20,322 | 20,322 | 20,322 |
| Treasury shares | 17 | (772) | (196) | (772) | (196) |
| Accumulated losses | | (843) | (3,014) | (4,013) | (9,069) |
| Foreign currency translation reserve | | (1,486) | (1,489) | - | - |
| Attributable to owners of the Company | | 17,221 | 15,623 | 15,537 | 11,057 |
| Non-controlling interests | | 119 | 106 | - | - |
| Total equity | | 17,340 | 15,729 | 15,537 | 11,057 |
| Total equity and liabilities | | 27,806 | 28,651 | 16,206 | 13,585 |

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company

| | Share capital \$'000 | Treasury shares \$'000 | Accumulated losses \$'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) | (1,672) | 7,726 | 67 | 7,793 |
| Profit/(loss) for the period | - | - | 2,572 | - | 2,572 | (11) | 2,561 |
| <u>Other comprehensive income</u> | | | | | | | |
| Exchange difference on translation of foreign operations, net of tax | - | - | - | 41 | 41 | 19 | 60 |
| Total comprehensive income for the period | - | - | 2,572 | 41 | 2,613 | 8 | 2,621 |
| Balance at 30 June 2022 | <u>20,322</u> | <u>-</u> | <u>(8,352)</u> | <u>(1,631)</u> | <u>10,339</u> | <u>75</u> | <u>10,414</u> |
| Balance at 1 January 2023 | 20,322 | (196) | (3,014) | (1,489) | 15,623 | 106 | 15,729 |
| Profit/(loss) for the period | - | - | 2,171 | - | 2,171 | (17) | 2,154 |
| <u>Other comprehensive income</u> | | | | | | | |
| Exchange difference on translation of foreign operations, net of tax | - | - | - | 3 | 3 | 30 | 33 |
| Total comprehensive income for the period | - | - | 2,171 | 3 | 2,174 | 13 | 2,187 |
| <u>Transaction with owners recognised directly in equity</u> | | | | | | | |
| Purchase of treasury shares | - | (576) | - | - | (576) | - | (576) |
| Balance at 30 June 2023 | <u>20,322</u> | <u>(772)</u> | <u>(843)</u> | <u>(1,486)</u> | <u>17,221</u> | <u>119</u> | <u>17,340</u> |
| The Company | | | | | | | |
| Balance at 1 January 2022 | 20,322 | - | (13,838) | - | 6,484 | - | 6,484 |
| Profit for the period representing total comprehensive income for the period | - | - | 3,012 | - | 3,012 | - | 3,012 |
| Balance at 30 June 2022 | <u>20,322</u> | <u>-</u> | <u>(10,826)</u> | <u>-</u> | <u>9,496</u> | <u>-</u> | <u>9,496</u> |
| Balance at 1 January 2023 | 20,322 | (196) | (9,069) | - | 11,057 | - | 11,057 |
| Profit for the period representing total comprehensive income for the period | - | - | 5,056 | - | 5,056 | - | 5,056 |
| <u>Transaction with owners recognised directly in equity</u> | | | | | | | |
| Purchase of treasury shares | - | (576) | - | - | (576) | - | (576) |
| Balance at 30 June 2023 | <u>20,322</u> | <u>(772)</u> | <u>(4,013)</u> | <u>-</u> | <u>15,537</u> | <u>-</u> | <u>15,537</u> |

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | The Group | |
|--|------|------------------|------------------|
| | | 1H2023 \$'000 | 1H2022 \$'000 |
| Operating activities | | | |
| Profit before tax | | 2,541 | 3,169 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 382 | 421 |
| Allowance for impairment loss on trade and other receivables | 5.1 | 63 | 16 |
| Interest expense | 5.1 | 5 | 17 |
| Interest income | | (270) | (1) |
| Gain on disposal and written off of property, plant and equipment | 6 | (3) | (26) |
| Inventories written down, net | 7 | - | 30 |
| Exchange differences | | 167 | (60) |
| Operating cash flows before changes in working capital | | 2,885 | 3,566 |
| Increase in inventories | | (436) | (337) |
| Decrease/(increase) in trade and other receivables, contract assets and prepaid operating expenses | | 825 | (3,515) |
| (Decrease)/increase in trade and other payables and contract liabilities | | (2,024) | 2,325 |
| Cash flows generated from operations | | 1,250 | 2,039 |
| Interest received | | 270 | 1 |
| Income taxes paid | | (530) | - |
| Net cash flows generated from operating activities | | 990 | 2,040 |
| Investing activities | | | |
| Purchase of investment securities at fair value through other comprehensive income | | (981) | - |
| Purchase of property, plant and equipment | 6 | (43) | (251) |
| Proceeds from disposal of property, plant and equipment | 6 | 1 | 60 |
| Net cash flows used in investing activities | | (1,023) | (191) |
| Financing activities | | | |
| Decrease in fixed deposits pledged | | 3 | 1 |
| Repayment of lease liabilities | | (281) | (267) |
| Purchase of treasury shares | 17 | (576) | - |
| Interest paid | | (5) | (17) |
| Net cash flows used in financing activities | | (859) | (283) |
| Net (decrease)/increase in cash and cash equivalents | | (892) | 1,566 |
| Effects of currency translation on cash and cash equivalents | | (21) | (4) |
| Cash and cash equivalents at the beginning of the period | | 18,493 | 8,982 |
| Cash and cash equivalents at the end of the period | | 17,580 | 10,544 |

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 six months ended 30 June 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 six months ended 30 June 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 "\$"), 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 | |
|---|------------------|---------------|
| | 1H2023 | 1H2022 |
| | \$'000 | \$'000 |
| <hr/> | | |
| Main revenue streams: | | |
| Engineering services | 87 | 313 |
| Critical airflow design and supply | 8,053 | 16,370 |
| | <u>8,140</u> | <u>16,683</u> |
| Timing of transfer of goods or services | | |
| At a point in time | 8,102 | 16,584 |
| Over time | 38 | 99 |
| | <u>8,140</u> | <u>16,683</u> |

4.2 Geographical segments

| | The Group | |
|------------------------|------------------|---------------|
| | 1H2023 | 1H2022 |
| | \$'000 | \$'000 |
| <hr/> | | |
| Revenue | | |
| Singapore and Malaysia | 7,439 | 16,482 |
| Others | 701 | 201 |
| | <u>8,140</u> | <u>16,683</u> |

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

4.3 Business segments

| 1 January to 30 June | Critical airflow design and supply | | Engineering services | | Corporate | | Total | |
|--|---------------------------------------|---------|-------------------------|--------|----------------|---------|----------------|----------|
| | 1 January to 30 June | | | | | | | |
| | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 | 1H2023 | 1H2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| REVENUE | | | | | | | | |
| Total Segment | 11,494 | 23,230 | 87 | 313 | 5,967 | 4,321 | 17,548 | 27,864 |
| Less: Inter-segment | (3,441) | (6,860) | - | - | (5,967) | (4,321) | (9,408) | (11,181) |
| External sales | 8,053 | 16,370 | 87 | 313 | - | - | 8,140 | 16,683 |
| RESULTS | | | | | | | | |
| Segment results | 2,513 | 4,157 | (28) | (190) | 56 | (798) | 2,541 | 3,169 |
| Income tax expense | | | | | | | (387) | (608) |
| Non-controlling interest | | | | | | | 17 | 11 |
| Net profit attributable to owners of the Company | | | | | | | 2,171 | 2,572 |
| ASSETS | | | | | | | | |
| Segment assets | 16,438 | 15,847 | 199 | 650 | 11,169 | 6,856 | 27,806 | 23,353 |
| LIABILITIES | | | | | | | | |
| Segment liabilities | 6,817 | 8,757 | 3,480 | 3,604 | 169 | 578 | 10,466 | 12,939 |
| OTHER INFORMATION | | | | | | | | |
| Capital expenditure | 43 | 248 | - | - | - | 3 | 43 | 251 |
| Depreciation | 325 | 330 | - | 10 | 57 | 81 | 382 | 421 |
| Allowance for Impairment loss on trade and other receivables | 63 | - | - | 16 | - | - | 63 | 16 |
| Inventories written down, net | - | 30 | - | - | - | - | - | 30 |

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 | |
|--|-----------|--------|
| | 1H2023 | 1H2022 |
| | \$'000 | \$'000 |
| Depreciation of property, plant and equipment | 382 | 421 |
| Allowance for impairment loss on trade and other receivables | 63 | 16 |
| Inventories written down, net | - | 30 |
| Gain on disposal and written off of property, plant and equipment | (3) | (26) |
| Exchange losses/(gains) | 151 | (24) |
| Finance costs in relation to interest expense on lease liabilities | 5 | 17 |
| <u>Other operating income</u> | | |
| Grant received from government | (41) | (37) |
| Interest income from fixed deposits | (269) | - |
| Investment income | (2) | - |
| Other income | (100) | (80) |

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 six months ended 30 June 2023, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately \$43,000 (30 June 2022: \$251,000) and there were no disposal of assets (30 June 2022: \$34,000). There were no new additions of right-of-use assets (30 June 2022: \$80,000) and disposal of right-of-use asset of net book value amounting to approximately \$58,000 (30 June 2022: \$Nil).

7 Inventories

| | The Group | |
|---|-----------|--------|
| | 1H2023 | 1H2022 |
| | \$'000 | \$'000 |
| Inventories recognised as an expense in profit or loss inclusive of the following charge: | | |
| - Inventories written-down | - | 30 |

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 | |
|--------------------|------------|------------|
| | 1H2023 | 1H2022 |
| | \$'000 | \$'000 |
| Current income tax | | |
| - prior year | 1 | - |
| - current year | 386 | 608 |
| | <u>387</u> | <u>608</u> |

9 Dividends

No dividend has been declared or recommended for the six months ended 30 June 2023 as the Company has accumulated losses as at 30 June 2023.

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

10 Net asset value

| | The Group | | The Company | |
|--|-----------|-----------|-------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) | 3.58 | 3.17 | 3.23 | 2.24 |

11 Investment securities

| | The Group | | The Company | |
|--|-----------|-----------|-------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Treasury bills of Singapore Government | 981 | - | 981 | - |

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.

12 Cash and cash equivalents

| | The Group | | The Company | |
|----------------|-----------|-----------|-------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank balances | 2,391 | 3,942 | 231 | 710 |
| Fixed deposits | 15,189 | 14,551 | 9,705 | 9,568 |
| | 17,580 | 18,493 | 9,936 | 10,278 |

13 Lease liabilities

| | The Group | | The Company | |
|---------------------|-----------|-----------|-------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Current:</u> | | | | |
| Secured | 191 | 378 | 108 | 106 |
| <u>Non-current:</u> | | | | |
| Secured | 84 | 184 | 46 | 101 |
| | 275 | 562 | 154 | 207 |

The Group has lease contracts for office and factory premises, plant and machineries and motor vehicles. 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 | |
|---|-----------|-----------|-------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| <u>At amortised cost</u> | | | | |
| Trade and other receivables | 2,340 | 3,164 | 3,797 | 1,787 |
| Fixed assets pledged | 87 | 90 | 30 | 30 |
| Cash and cash equivalents | 17,580 | 18,493 | 9,936 | 10,278 |
| <u>At fair value through other comprehensive income</u> | | | | |
| Investment securities | 981 | - | 981 | - |
| | 20,988 | 21,747 | 14,744 | 12,095 |
| Financial liabilities | | | | |
| <u>At amortised cost</u> | | | | |
| Trade and other payables * | 6,475 | 8,702 | 499 | 2,194 |
| Lease liabilities | 275 | 562 | 154 | 207 |
| | 6,750 | 9,264 | 653 | 2,401 |

* Exclude non-financial liabilities of the Group and the Company amounting to \$2,724,000 (31 December 2022: \$2,513,000 and \$16,000 (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 30 June 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") is a dormant wholly-owned subsidiary of ASPL and an indirect wholly-owned subsidiary of the Group. Upon the completion of the liquidation of ASPL, the event which will result in the lost of control of ABT by the Company, ABT will be deconsolidated from the Group's financial statements in accordance with SFRS(I) on the date when the control of ABT ceases and the assets and liabilities of ABT will be derecognised from the consolidated statement of financial position. ABT continued to be consolidated in the current financial year as the liquidation of ASPL is still ongoing. The carrying amounts of ABT's assets and liabilities as at 30 June 2023 after eliminations of intercompany balances are as follows:

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

ABT had been placed in creditors' voluntary liquidation pursuant to the special resolution passed at the Extraordinary General Meeting of ABT and confirmation by the creditors of ABT at the creditors' meeting, both held on 7 April 2022. The Final Meeting of ABT and its creditors was held on 30 June 2023. 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 is dissolved. ABT will be deconsolidated from the Group's financial statements in accordance with SFRS(I) on the date when ABT is dissolved.

16 Share capital

| | The Group and the Company | | | |
|--|---------------------------|-------------|---------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-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 30 June 2023 and 31 December 2022. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

As at 30 June 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 481,245,598 (31 December 2022: 493,370,798).

17 Treasury shares

| | The Group and the Company | | | |
|------------------------------------|---------------------------|-----------|------------|-----------|
| | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| | Number of shares | | \$'000 | \$'000 |
| At beginning of the period/year | 5,127,700 | - | 196 | - |
| Repurchased during the period/year | <u>12,125,200</u> | 5,127,700 | <u>576</u> | 196 |
| At end of the period/year | <u>17,252,900</u> | 5,127,700 | <u>772</u> | 196 |

During the period ended 30 June 2023, the Company acquired 12,125,200 (31 December 2022: 5,127,700) of its own shares through purchases on the Singapore Stock Exchange.

As at 30 June 2023, the total number of treasury shares was 17,252,900 (31 December 2022: 5,127,700) or 3.59% (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 30 June 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 six-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 six months ended 30 June 2023 as the Company has accumulated losses as at 30 June 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.

There were no significant interested person transactions conducted under general mandate of or over \$100,000 in value during the period ended 30 June 2023.

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 (1H2023 vs. 1H2022)

Revenue

The revenue of the Group for 1H2023 was 51.2% lower at \$8.14 million, down from \$16.68 million reported in 1H2022. The drop in revenue was mainly attributed, among others, to unfavourable market condition in particular semiconductor industry which has softened in 1H2023 and absence of major orders arising from pent-up demand received in 1H2022. The geopolitical tensions and tit-for-tat actions between US-China, which is still ongoing, led to major semiconductor players to rethink and adopted a cautious attitude on their investment approaches and spending. This partly resulted in ongoing and new projects being placed on hold, rescheduled or re-evaluated. The critical airflow design and supply segment which contributed 98.9% of the total Group's revenue, where revenue decreased by 50.8% from \$16.37 million in 1H2022 to \$8.05 million in 1H2023. The revenue of engineering segment continued to drop from \$0.31 million in 1H2022 to \$0.09 million in 1H2023.

Gross profit

Gross profit for the Group decreased by \$1.36 million or 23.9% from \$5.67 million in 1H2022 to \$4.31 million in 1H2023. 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 252.1% or \$0.29 million from \$0.12 million in 1H2022 to \$0.41 million in 1H2023. The interest earned of \$0.27 million from fixed deposits contributed to the increase in other operating income.

Administrative expenses and other operating expenses

Administrative expenses decreased by 28.4% or \$0.63 million from \$2.21 million in 1H2022 to \$1.58 million in 1H2023 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 \$0.21 million or 52.9% from \$0.39 million in 1H2022 to \$0.60 million in 1H2023, which was largely due to changes in bad debts provision (\$0.05 million) and foreign currency exchange losses (\$0.17 million).

Income tax expense

Income tax expense of \$0.39 million in 1H2023 mainly pertains to provision of income tax of current period.

Profit, net of tax

As a result, profit after tax was \$2.15 million in 1H2023 as compared to a profit after tax of \$2.56 million in 1H2022 on the back of lower revenue and correspondingly lower gross profit which was compensated by higher profit margin, higher other operating income and lower administrative expenses.

Statement of Financial Position (1H2023 vs. 1H2022)

Property, plant and equipment of \$1.45 million as at 30 June 2023, which decreased by \$0.46 million was mainly due depreciation charges of \$0.38 million offset by purchases of new equipment of \$0.04 million and disposal of right-of-use asset at net book value of \$0.06 million. The PPE included right-of-use assets at net book value of \$0.26 million as at 30 June 2023.

Inventories increased by \$0.44 million from \$4.25 million as at 31 December 2022 to \$4.69 million as at 30 June 2023 owing mainly to increase in raw materials inventory by \$0.49 million.

The decrease in trade and other receivables by \$0.83 million in 1H2023 mainly due to net debt collection (debt collection outpaced sales invoicing) during 1H2023.

Contract assets of \$0.55 million as at 30 June 2023 mainly related to unbilled receivables.

Trade and other payables decreased by \$2.02 million in 1H2023 mainly due to decrease in trade payables and non-trade payables by 10.5% and 25.3% respectively.

The obligation under lease liabilities of \$0.28 million as at 30 June 2023, which decreased by \$0.29 million was mainly due to lease payments of \$0.28 million during 1H2023.

Statement of Cash Flows

During the period, the Group incurred overall net cash outflows amounting to \$0.89 million resulting in the decrease in cash and cash equivalents from \$18.49 million as at 31 December 2022 to \$17.58 million as at 30 June 2023. The significant cash movements during 1H2023 were as follows:

In 1H2023, net cash flows of \$1.25 million was generated from operations taking into account the working capital changes.

In 1H2023, income taxes paid was \$0.53 million and net cash of \$1.02 million used in investing activities was mainly due to purchase of 6-month Treasury Bills of \$0.98 million issued by the Singapore Government.

In 1H2023, net cash of \$0.86 million was used in financing activities mainly used for buybacks of company's shares of \$0.58 million and payment of obligations under lease liabilities of \$0.28 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 short-term market outlook ahead is unpredictable amid a host of uncertainties in particular the ongoing US-China geopolitical tensions, global recession fear and unabated red-hot inflation which may jolt the market. Particularly, the geopolitical tensions, depending on the gravity of the situation, may continue to disrupt the global semiconductor industry. The global economy recession or downturn if not avoided would decimate demand for chips-related products and correspondingly weigh on our business activities and performance. If the major chip players continue to be cautious on its investments as it braces for the escalating US-China trade tensions, it may postpone further their plant expansion plans as well as new and current ongoing construction projects. Although global supply chains constraints have eased, the risks remain significant and should not be ignored given the complicated and unpredictable business landscape. With the uncertainty and unpredictability of the macro environment, the Group will monitor the market and business development closely and capture any business opportunities that may arise.

10. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules of SGX-ST.

On behalf of the Board of Directors of the Company, we, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half-year ended 30 June 2023 to be false or misleading in any material aspect.

11. 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

11 August 2023

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