ANNICA HOLDINGS LIMITED

Condensed Interim Consolidated Financial Statements For The Third Quarter and Nine-Month Financial Period Ended 30 September 2023

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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*For the purposes of this announcement, "**1Q2023**" refers to the three-month financial period ended 31 March 2023. "**HY2023**" refers to the six-month financial period ended 30 June 2023. "**3Q2023**" refers to the three-month financial period ended 30 September 2023, whereas "**3Q2022**" refers to the corresponding three-month financial period ended 30 September 2022. "**9M2023**" refers to the nine-month financial period ended 30 September 2023, whereas "**9M2022**" refers to the corresponding nine-month financial period ended 30 September 2022. "**FY2022**" refers to the full financial year ended 31 December 2022.*

*The quarterly reporting of financial statements is mandatory for Annica Holdings Limited (the "**Company**") pursuant to Rule 705(2) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). The foregoing statement is made pursuant to Rule 705(2C) of the Catalist Rules.*

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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

		Group					
		3Q2023	**3Q2022**	**Increase/ (Decrease)**	**9M2023**	**9M2022**	**Increase/ (Decrease)**
	Note	**S$'000**	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	4	1,617	1,560^	4	8,859	3,946^	NM
Cost of sales		(1,228)	(748)^	64	(6,726)	(2,269)^	NM
Gross profit		389	812^	(52)	2,133	1,677^	27
Other income		46	(1)^	NM	161	164^	(2)
Interest income		50	50	NM	150	154	(3)
Selling and distribution expenses		(52)	(45)	16	(144)	(162)	(11)
Administrative and general expenses		(1,096)	(1,396)	(21)	(3,329)	(3,418)^	(3)
Other expenses		(3)	(11)	(73)	(5)	(17)^	(71)
Impairment losses on trade and other receivables		-	-	NM	-	(4)	NM
Finance costs		(55)	(44)	25	(120)	(210)	(43)
Loss before tax from continuing operations	6	(721)	(635)	14	(1,154)	(1,816)^	(36)
Tax expense	7	(14)	-	NM	(45)	(19)	NM
Loss from continuing operations		(735)	(635)	16	(1,199)	(1,835)^	(35)
Loss from discontinued operations		-	-	NM	1	(3)	NM
Loss for the financial period		(735)	(635)	16	(1,198)	(1,838)	(35)
Other comprehensive loss							
Items that are or may be reclassified subsequently to profit or loss:							
Currency translation differences arising on consolidation		(3)	(55)	(95)	(98)	(125)	(22)
Other comprehensive loss for the financial period		(3)	(55)	(95)	(98)	(125)	(22)
Total comprehensive loss for the financial period		(738)	(690)	7	(1,296)	(1,963)	(34)

NM: Not Meaningful

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

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. (cont'd)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (cont'd)

		Group					
		3Q2023	**3Q2022**	**Increase/ (Decrease)**	**9M2023**	**9M2022**	**Increase/ (Decrease)**
	Note	**S$'000**	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
(Loss)/Profit attributable to:							
- Equity holders of the Company		(798)	(620)	29	(1,300)	(1,729)	(25)
- Non-controlling interests		63	(15)	NM	102	(109)	NM
		(735)	(635)	16	(1,198)	(1,838)	(35)
(Loss)/Profit attributable to:							
Equity holders of the Company							
- Loss from continuing operations		(798)	(620)	29	(1,301)	(1,726)^	(25)
- Profit/(Loss) from discontinued operations		-	-	NM	1	(3)^	NM
		(798)	(620)	29	(1,300)	(1,729)	(25)
Non-controlling interest							
- Profit/(Loss) from continuing operations		63	(15)	NM	102	(109)	NM
- Profit/(Loss) from discontinued operations		-	-	NM	-	-	NM
		63	(15)	NM	102	(109)	NM
Total comprehensive (loss)/income attributable to:							
- Equity holders of the Company		(801)	(675)	19	(1,398)	(1,854)	(25)
- Non-controlling interests		63	(15)	NM	102	(109)	NM
		(738)	(690)	7	(1,296)	(1,963)	(34)
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company							
- Loss from continuing operations		(801)	(675)	19	(1,399)	(1,851)^	(24)
- Profit/(Loss) from discontinued operations		-	-	NM	1	(3)^	NM
		(801)	(675)	19	(1,398)	(1,854)	(25)
Non-controlling interest							
- Profit/(Loss) from continuing operations		63	(15)	NM	102	(109)	NM
- Profit/(Loss) from discontinued operations		-	-	NM	-	-	NM
		63	(15)	NM	102	(109)	NM
(Loss)/Profit per share for (loss)/profit attributable to the equity holders of the Company (cents per share)							
Basic and diluted							
From continuing and discontinued operations		(0.0047)	(0.0037)	27	(0.0077)	(0.0103)	(25)
From continuing operations		(0.0047)	(0.0037)^	27	(0.0077)	(0.0103)^	(25)
From discontinued operations		-	-*^	NM	-*	-*^	NM

NM: Not Meaningful

*Amount less than S$0.0001

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

(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.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		Group		Company	
		As at 9M2023	As at FY2022	As at 9M2023	As at FY2022
	Note	S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment ("**PPE**")	12	239	317	1	33
Right-of-use ("**ROU**") assets		882	321	294	48
Intangible assets	11	36	36	-	-
Investments in subsidiaries		-	-	1,892	1,892
		1,157	674	2,451	1,973
Current assets					
Cash and cash equivalents		1,077	1,430	395	46
Fixed deposits		434	473	-	-
Trade and other receivables	13	7,313	11,947	4,374	3,910
Inventories		2,863	301	-	-
Financial assets at fair value through profit or loss	10	-*	-*	-*	-*
		11,687	14,151	4,769	3,956
Total assets		**12,844**	**14,825**	**7,220**	**5,929**
LIABILITIES					
Non-current liabilities					
Borrowings	14	812	618	439	6
Provision for employee benefits		72	71	-	-
Deferred tax liabilities		16	16	-	-
		900	705	439	6
Current liabilities					
Trade and other payables		7,164	5,936	6,167	5,859
Contract liabilities		3,406	6,755	-	-
Borrowings	14	2,080	847	1,755	105
Tax payable		5	-	-	-
		12,655	13,538	7,922	5,964
Total liabilities		**13,555**	**14,243**	**8,361**	**5,970**
Net assets/(liabilities)		**(711)**	**582**	**(1,141)**	**(41)**
EQUITY					
Share capital	15	68,101	68,101	68,101	68,101
Accumulated losses		(66,725)	(65,425)	(69,331)	(68,231)
Other reserves		(2,136)	(2,041)	89	89
Equity/(Net capital deficiency) attributable to equity holders of the Company		**(760)**	**635**	**(1,141)**	**(41)**
Non-controlling interests		49	(53)	-	-
Total equity/(capital deficiency)		**(711)**	**582**	**(1,141)**	**(41)**

*Amount less than S$1,000

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
THE THIRD QUARTER AND NINE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

		Group			
	Note	3Q2023 S$'000	3Q2022 S$'000	9M2023 S$'000	9M2022 S$'000
Cash flows from operating activities					
Loss before tax from continuing operations		(721)	(635)	(1,154)	(1,816)^
Profit/(Loss) before tax from discontinued operations		-	-	1	(3)^
		(721)	(635)	(1,153)	(1,819)
Adjustments for:					
Depreciation of property, plant and equipment	6	30	52	128	153
Depreciation of right-of-use assets	6	68	53	177	159
Fair value loss on financial assets at fair value through profit or loss	6	-	-	-	1
Loss on disposal of property, plant and equipment	6	-	-	1	-
Impairment loss on trade and other receivables	6	-	-	-	4
Interest expense	6	55	44	120	210
Interest income	6	(50)	(50)	(150)	(154)
Issuance of Performance Shares	6	-	300	-	300
Bad debt written off	6	1	-	2	-
Bad debt recovered	6	-	-	(11)	-
Operating cash flows before working capital changes		**(617)**	**(236)**	**(886)**	**(1,146)**
Changes in working capital:					
Inventories		(599)	(79)	(2,562)	(792)
Payables and contract liabilities		1,679	1,046	(2,006)	2,377
Receivables		(364)	(721)	4,824	(164)
Currency translation difference		(38)	71	(186)	(19)
Cash generated from/(used in) operations		**61**	**81**	**(816)**	**256**
Income tax paid		(27)	3	(73)	(66)
Net cash generated from/(used in) operating activities		**34**	**84**	**(889)**	**190**
Cash flows from investing activities					
Interest received		-	-	3	1
Purchase of property, plant and equipment		(22)	(64)	(49)	(74)
Net cash used in investing activities		**(22)**	**(64)**	**(46)**	**(73)**
Cash flows from financing activities					
Contribution from NCI of a subsidiary incorporated		-	162	-	162
Interest paid for bank loans		(5)	(6)	(16)	(21)
Interest paid for lease liabilities		(6)	(3)	(8)	(6)
Interest paid for third party		(45)	(3)	(276)	(6)
Placement of fixed deposit pledged		-	-	(71)	-
Release of fixed deposit pledged		-	-	92	162
Proceeds of borrowings		500	8	1,500	373
Repayment of principal portion of borrowings		(84)	(262)	(468)	(573)
Repayment of principal portion of lease liabilities		(63)	(52)	(175)	(159)
Net cash generated from/(used in) financing activities		**297**	**(156)**	**578**	**(68)**
Net increase/(decrease) in cash and cash equivalents		309	(136)	(357)	49
Cash and cash equivalents at beginning of the financial period		772	917	1,430	736
Effects of foreign currency translation on cash and cash equivalents		(4)	(16)	4	(20)
Cash and cash equivalents at end of the financial period		**1,077**	**765**	**1,077**	**765**

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Note	Share capital S$'000	Accumulated losses S$'000	Other reserves S$'000	Equity attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
Balance as at 1 January 2023		68,101	(65,425)	(2,041)	635	(53)	582
Transfer to capital reserve		-	-	3	3	-	3
Loss for the financial period		-	(1,300)	-	(1,300)	102	(1,198)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(98)	(98)	-	(98)
Total comprehensive (loss)/income for the financial period		-	(1,300)	(98)	(1,398)	102	(1,296)
Balance as at 30 September 2023		**68,101**	**(66,725)**	**(2,136)**	**(760)**	**49**	**(711)**
Balance as at 1 January 2022		67,801	(63,929)	(1,823)	2,049	(35)	2,014
Issuance of ordinary shares of the Company		300	-	-	300	-	300
Loss for the financial period		-	(1,729)	-	(1,729)	(109)	(1,838)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(125)	(125)	-	(125)
Total comprehensive loss for the financial peirod		-	(1,729)	(125)	(1,854)	(109)	(1,963)
Changes in ownership interests in a subsidiary:							
Disposal of ownership interest in a subsidiary		-	-	-	-	162	162
		-	-	-	-	162	162
Balance as at 30 September 2022		**68,101**	**(65,658)**	**(1,948)**	**495**	**18**	**513**

(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) 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. (cont'd)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (cont'd)

	Note	Share capital S$'000	Accumulated losses S$'000	Other reserves S$'000	Total equity S$'000
Company					
Balance as at 1 January 2023		68,101	(68,231)	89	(41)
Loss and total comprehensive loss for the financial period		-	(1,100)	-	(1,100)
Balance as at 30 September 2023		**68,101**	**(69,331)**	**89**	**(1,141)**
Balance as at 1 January 2022		67,801	(66,722)	89	1,168
Issuance of ordinary shares of the Company		300	-	-	300
Loss and total comprehensive loss for the financial period		-	(1,239)	-	(1,239)
Balance as at 30 September 2022		**68,101**	**(67,961)**	**89**	**229**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Annica Holdings Limited (the "**Company**") is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist board of the SGX-ST. These condensed interim consolidated financial statements as at 30 September 2023 comprise the Company and its subsidiaries (collectively, the "**Group**"). The primary activity of the Company is that of investment holdings.

The principal activities of the Group are:

(a) trading in oilfield equipment and related products;

(b) designing of industrial plant engineering services systems and general wholesaler and trader;

(c) designing, engineering, procurement, construction and commissioning of solar photovoltaic system and related products;

(d) operation of generation facilities that produce electric energy, manufacturing of any fabricated metal products and construction of utility projects; and

(e) investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for 9M2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 since the last audited consolidated financial statements for FY2022.

The accounting policies adopted for the condensed interim consolidated financial statements for 9M2023 are consistent with those of the previous financial year, FY2022, which were prepared in accordance with SFRS(I)s.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company's functional currency.

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 and amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated 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 audited consolidated financial statements of the Group for FY2022.

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 10.1 – Fair value measurement

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 11 – Intangible assets
- Note 13 – Trade and other receivables

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during 9M2023.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Oil and Gas Equipment;
- Engineering Services; and
- Investments and Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company's Executive Director and Chief Executive Officer, Sandra Liz Hon Ai Ling and the Board of Directors who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 Reportable segments

	Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Elimination S$'000	Continuing operations S$'000	Discontinued operations S$'000	Total S$'000
9M2023							
Revenue							
External sales	175	8,684	-	-	8,859	-	8,859
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	175	8,684	-	-	8,859	-	8,859
Interest income	-	3	150	(3)	150	-	150
Other income	14	137	122	(112)	161	-	161
Total other income	14	140	272	(115)	311	-	311
Total revenue and other income	189	8,824	272	(115)	9,170	-	9,170
Depreciation of PPE	-	(96)	(32)	-	(128)	-	(128)
Depreciation of ROU assets	(6)	(91)	(80)	-	(177)	-	(177)
Interest expense	(4)	(21)	(98)	3	(120)	-	(120)
Segment profit	179	8,616	62	(112)	8,745	-	8,745
Unallocated expenses	(364)	(8,362)	(1,268)	95	(9,899)	1	(9,898)
Profit/(Loss) before tax	(185)	254	(1,206)	(17)	(1,154)	1	(1,153)
Tax expense	-	(45)	-	-	(45)	-	(45)
Profit/(Loss) for the financial period	(185)	209	(1,206)	(17)	(1,199)	1	(1,198)
9M2023							
Assets							
Non-current assets	102	724	331	-	1,157	-	1,157
Other segment assets	330	10,271	7,246	(6,160)	11,687	-	11,687
Consolidated total assets	432	10,995	7,577	(6,160)	12,844	-	12,844
Expenditures for segment non-current assets							
Additions to PPE	-	49	-	-	49	-	49
Additions to ROU assets	108	313	326	-	747	-	747
	108	362	326	-	796	-	796
Liabilities							
Segment liabilities	819	6,922	6,798	(3,897)	10,642	-	10,642
Borrowings	253	844	2,194	(399)	2,892	-	2,892
Deferred tax liabilities	-	16	-	-	16	-	16
Tax payable	-	5	-	-	5	-	5
Consolidated total liabilities	1,072	7,787	8,992	(4,296)	13,555	-	13,555

4.1 Reportable segments (cont'd)

	Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Elimination S$'000	Continuing operation S$'000	Discontinued operation S$'000	Total S$'000
9M2022 (Restated^)							
Revenue							
External sales	824	3,122	-^	-	3,946^	12^	3,958
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	824	3,122	-^	-	3,946^	12^	3,958
Interest income	-	1	155	(2)	154	-	154
Other income	24	133	108^	(101)	164^	(1)^	163
Total other income	24	134	263^	(103)	318^	(1)^	317
Total revenue and other income	848	3,256	263^	(103)	4,264^	11^	4,275
Depreciation of PPE	-	(112)	(41)	-	(153)	-	(153)
Depreciation of ROU assets	-	(89)	(70)	-	(159)	-	(159)
Interest expense	(5)	(202)	(5)	2	(210)	-	(210)
Segment profit	843	2,853	147^	(101)	3,742^	11^	3,753
Unallocated expenses	(938)	(3,203)	(1,511)^	95	(5,557)^	(14)^	(5,571)
Loss before tax	(95)	(350)	(1,364)^	(6)	(1,815)^	(3)^	(1,818)
Tax expense	(1)	(18)	-	-	(19)	-	(19)
Loss for the financial period	(96)	(368)	(1,364)^	(6)	(1,834)^	(3)^	(1,837)
FY2022							
Assets							
Non-current assets	-	557	117	-	674	-	674
Other segment assets	444	13,001	6,179^	(5,485)	14,139^	12^	14,151
Consolidated total assets	444	13,558	6,296^	(5,485)	14,813^	12^	14,825
Expenditures for segment non-current assets							
Additions to PPE	-	111	1	-	112	-	112
Additions to ROU assets	-	58	29	-	87	-	87
	-	169	30	-	199	-	199
Liabilities							
Segment liabilities	677	9,240	6,408^	(3,577)	12,748^	14^	12,762
Borrowings	222	1,193	111	(61)	1,465	-	1,465
Deferred tax liabilities	-	16	-	-	16	-	16
Tax payable	-	-	-	-	-	-	-
Consolidated total liabilities	899	10,449	6,519^	(3,638)	14,229^	14^	14,243

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

4.2 Disaggregation of Revenue

	Group 9M2023 Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Total S$'000
Types of goods or services:				
Sale of goods	175	8,619	-	8,794
Services rendered	-	65	-	65
	175	8,684	-	8,859
Timing of revenue recognition:				
At a point in time	175	8,684	-	8,859
Over time	-	-	-	-
	175	8,684	-	8,859
Geographical information:				
Singapore	11	483	-	494
Malaysia	153	4,900	-	5,053
Indonesia	-	640	-	640
Thailand	11	255	-	266
Vietnam	-	2	-	2
China	-	3	-	3
Brunei & Myanmar	-	2,347	-	2,347
Others	-	54	-	54
	175	8,684	-	8,859

	9M2022 Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Total S$'000
Types of goods or services:				
Sale of goods	181	3,115	-^	3,296^
Services rendered	643	7	-	650
	824	3,122	-^	3,946^
Timing of revenue recognition:				
At a point in time	824	3,122	-^	3,946^
Over time	-	-	-	-
	824	3,122	-^	3,946^
Geographical information:				
Singapore	643	64	-	707
Malaysia	181	1,153	-^	1,334^
Indonesia	-	236	-	236
Thailand	-	703	-	703
Vietnam	-	1	-	1
China	-	28	-	28
Brunei & Myanmar	-	907	-	907
Others	-	30	-	30
	824	3,122	-^	3,946^

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

4.2 Disaggregation of Revenue (cont'd)

	Group			
	3Q2023			
	Engineering services	Oil and gas equipment	Investments and others	Total
	S$'000	S$'000	S$'000	S$'000
Types of goods or services:				
Sale of goods	47	1,531	-	1,578
Services rendered	-	39	-	39
	47	1,570	-	1,617
Timing of revenue recognition:				
At a point in time	47	1,570	-	1,617
Over time	-	-	-	-
	47	1,570	-	1,617
Geographical information:				
Singapore	3	6	-	9
Malaysia	44	396	-	440
Indonesia	-	359	-	359
Thailand	-	94	-	94
Vietnam	-	-	-	-
China	-	-	-	-
Brunei & Myanmar	-	679	-	679
Others	-	36	-	36
	47	1,570	-	1,617

	3Q2022			
	Engineering services	Oil and gas equipment	Investments and others	Total
	S$'000	S$'000	S$'000	S$'000
Types of goods or services:				
Sale of goods	179	1,164	-^	1,343^
Services rendered	217	-	-	217
	396	1,164	-^	1,560^
Timing of revenue recognition:				
At a point in time	396	1,164	-^	1,560^
Over time	-	-	-	-
	396	1,164	-^	1,560^
Geographical information:				
Singapore	217	(11)	-	206
Malaysia	179	278	-^	457^
Indonesia	-	54	-	54
Thailand	-	372	-	372
Vietnam	-	1	-	1
China	-	27	-	27
Brunei & Myanmar	-	443	-	443
Others	-	-	-	-
	396	1,164	-^	1,560^

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

5. **Financial assets and financial liabilities**
Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 December 2022:

	Note	Group		Company	
		9M2023 S$'000	**FY2022 S$'000**	**9M2023 S$'000**	**FY2022 S$'000**
Financial Assets					
Financial assets at fair value through profit or loss	10	-*	-*	-*	-*
Cash and bank balances and trade and other receivables (Amortised cost)		8,071	8,585	4,969	3,948
		8,071	8,585	4,969	3,948
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		9,583	8,273	8,232	5,807

*Amount less than S$1,000

6. **Loss before taxation from continuing operations**

6.1 Significant items

	Group			
	3Q2023 S$'000	**3Q2022 S$'000**	**9M2023 S$'000**	**9M2022 S$'000**
<u>Income</u>				
Interest income from bank and deposits	-	-	3	1
Interest income from a third party	50	50	147	153
Commission income	-	-	4	-
Miscellaneous income	5	2	8	40
Government grant received	-	5	10	6
Extension fees on amount due from Ms Chong Shin Mun	15	15	45	45
Exhibition income	-	-	-	27
Bad debt recovered	-	-	11	-
Foreign currency exchange (loss)/gain, net	26	(23)^	83	46^
<u>Expenses</u>				
Interest expenses on borrowings	49	41	112	204
Interest expenses on lease liabilities	6	3	8	6
Loss on disposal of property, plant and equipment	-	-	1	-
Allowance for impairment loss on other receivables	-	-	-	4
Bad debt written off	1	-	2	-
Depreciation of property, plant and equipment	30	52	128	153
Depreciation of right of use assets	68	53	177	159
Issuance of performance shares	-	300	-	300

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

6.2 Related party transactions
There were no material related party transactions during 3Q2023 and 9M2023.

7. **Taxation**

	Group			
	3Q2023 S$'000	**3Q2022 S$'000**	**9M2023 S$'000**	**9M2022 S$'000**
Current income tax expense	14	-	45	19
Deferred income tax expense	-	-	-	-
	14	-	45	19

8. **Dividends**
No dividend has been declared during 9M2022 and 9M2023.

9. Net Asset Value

	Group		Company	
	9M2023	**FY2022**	**9M2023**	**FY2022**
Net asset value / (net capital deficiency) per ordinary share of the Company ("**Share**") based on the issued Shares at the end of the financial period reported on (in cents)	(0.0045)	0.0037	(0.0067)	(0.0002)

Net capital deficiency per ordinary share of the Group as at 9M2023 was calculated by dividing the Group's net capital deficiency attributable to equity holders as at 9M2023 of S$760,000 (FY2022: net asset value attributable to equity holders of S$635,000) by the number of issued ordinary shares of the Company as at 9M2023 of 16,974,767,048 (FY2022: 16,974,767,048).

Net capital deficiency per ordinary share of the Company as at 9M2023 was calculated by dividing the Company's net capital deficiency attributable to equity holders as at 9M2023 of S$1,141,000 (FY2022: S$41,000) by the number of issued ordinary shares of the Company as at 9M2023 of 16,974,767,048 (FY2022: 16,974,767,048).

10. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprise the following:

	Group	
	9M2023 S$'000	**FY2022 S$'000**
Unquoted equity investments on the SGX-ST	-*	-*

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) Inputs for the asset or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value:

	Level 1 S$'000	**Level 2 S$'000**	**Level 3 S$'000**	**Total S$'000**
Group – 30 September 2023				
Financial assets				
FVTPL investments (unquoted investments)	-*	-	-	-*
Group – 31 December 2022				
Financial assets				
FVTPL investments (unquoted investments)	-*	-	-	-*

*Amount less than S$1,000

11. Intangible assets

	Group
Goodwill arising on consolidation	**S$'000**
At 31 December 2022 and 30 September 2023	36

12. Property, plant and equipment

During 9M2023, the Group acquired plant and equipment amounting to S$49,000 (FY2022: S$112,000) and disposed of plant and equipment amounting to S$1,000 (FY2022: Nil).

13. Trade and other receivables

Trade and other receivables comprise the following:

	9M2023 S$'000	**FY2022 S$'000**
Trade and other receivables		
Trade receivables	2,778	3,170
Other receivables:		
Loan to a former subsidiary (GPE Power Systems (M) Sdn. Bhd. ("**GPE**"))	3,020	2,910
Other receivables from GPE	300	300
Consideration due from disposal of GPE from Ms Chong Shin Mun	307	225
Advance billings from suppliers	555	5,155
Others	353	187
	4,535	8,777
	7,313	11,947

13.1 Ageing profile of trade and other receivables

	9M2023				
	Total Due S$'000	0-30 days S$'000	30-60 days S$'000	60-90 days S$'000	90+ days S$'000
Segments					
Trade receivables					
Engineering services	41	41	-	-	-
Oil and gas equipment	2,737	1,480	35	327	895
Investments and others	-	-	-	-	-
	2,778	1,521	35	327	895
Other receivables					
Engineering services	167	167	-	-	-
Oil and gas equipment	516	516	-	-	-
Investments and others	3,852	120	22	21	3,689
	4,535	803	22	21	3,689
	7,313	2,324	57	348	4,584

	FY2022				
	Total Due S$'000	0-30 days S$'000	30-60 days S$'000	60-90 days S$'000	90+ days S$'000
Segments					
Trade receivables					
Engineering services	230	90	70	70	-
Oil and gas equipment	2,940	1,163	1,648	-	129
Investments and others	-	-	-	-	-
	3,170	1,253	1,718	70	129
Other receivables					
Engineering services	11	11	-	-	-
Oil and gas equipment	5,164	5,153	-	-	11
Investments and others	3,602	189	21	22	3,370
	8,777	5,353	21	22	3,381
	11,947	6,606	1,739	92	3,510

14. Borrowings

	9M2023			FY2022		
	Secured Borrowings	Unsecured Borrowings	Lease Liabilities	Secured Borrowings	Unsecured Borrowings	Lease Liabilities
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand	319	1,500	261	331	395	121
Amount repayable after one year	370	-	442	607	-	11

During 9M2023 and FY2022, the secured bank borrowings and credit facilities of the Group are secured over the Group's leasehold properties, fixed deposits, corporate guarantee by the Company and personal guarantees by the directors of the Company's subsidiaries.

15. Share Capital

	The Group and the Company			
	9M2023		FY2022	
	Number of shares '000	Amount S$'000	Number of shares '000	Amount S$'000
Beginning of interim period	16,974,767	68,101	16,674,767	67,801
Issuance of new ordinary shares	-	-	300,000	300
End of interim period	16,974,767	68,101	16,974,767	68,101

During FY2022, the Company granted share awards comprising 300,000,000 new ordinary shares in the share capital of the Company to selected participants pursuant to the Annica Performance Share Plan.

16. Disposal of Subsidiary

As previously disclosed in the Company's announcement dated 1 February 2023, the Company has decreased its effective shareholding interest in its former indirect wholly owned subsidiary, Cahya Suria Services Sdn. Bhd. ("**CSS**") from 100% to 10% following a disposal by Cahya Suria Energy Sdn. Bhd. ("**CSE**") of 9,000 ordinary shares representing 90% of the shareholdings of CSS to a third-party purchaser for a consideration of RM5,000.

An analysis of the results of discontinued operations is as follows:

	S$'000
Revenue	-
Cost of sales	-
	-
Income	1
Expenses	-*
	1
Less: tax expense	-
Profit after tax from discontinued operation	1
Profit on disposal of the discontinued operation	-*
Profit from discontinued operation	1

*Amount is less than S$1,000

17. Subsequent events

There are no known subsequent events (after 30 September 2023) which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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.

There were no changes in the Company's share capital for 3Q2023 since the end of HY2023.

There are no shares of the Company that may be issued on conversion of any outstanding convertibles as at the end of the current financial period except as follows:

- Grant of Options pursuant to the Annica Employee Share Option Scheme:

  Pursuant to the Annica Employee Share Option Scheme ("**ESOS**"), the Company had on 27 December 2018 granted employee share options ("**ESOS Options**") consisting of 42,500,000 Shares, the details of which are as follows:

(a) Date of grant of ESOS Options	27 December 2018
(b) Exercise Price of ESOS Options granted	S$0.001 per Share
(c) Number of Shares comprised in the ESOS Options granted	42,500,000
(d) Number of Shares comprised in the ESOS Options which have lapsed and are null and void	12,500,000
(e) Remaining number of Shares comprised in the ESOS Options	30,000,000
(f) Number of Shares comprised in the ESOS Options granted to each Director and controlling shareholders (and each of their associates)	None
(g) Market Price of the Shares on the Date of Grant	S$0.001
(h) Validity period of the ESOS Options	28 December 2019 – 27 December 2028 (both dates inclusive) ESOS Options shall only be exercisable after the 1st anniversary from the Date of Grant and shall be exercised before the 10th anniversary of the Date of Grant.

  As at the date of this announcement, no ESOS Options have been exercised by the respective ESOS Option holders.

As at 30 September 2023, the number of shares that may be issued on conversion of all the outstanding convertible securities was 30,000,000 (30 September 2022: 30,000,000) which represented approximately 0.18% (30 September 2022: 0.18%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

There were no treasury shares or subsidiary holdings as at 30 September 2023 and 30 September 2022.

(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.

	As at 30 September 2023	As at 31 December 2022
Total number of issued shares excluding treasury shares ('000)	16,974,767	16,974,767

(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.

Not applicable. The Company did not hold any treasury shares as at 30 September 2023 and 31 December 2022.

(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.

Not applicable. The Company's subsidiaries did not hold any shares in the Company as at 30 September 2023 and 31 December 2022.

2. 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 auditors.

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

Not applicable.

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.

As disclosed in the Company's annual report for the financial year ended 31 December 2022, the Company's auditors were unable to obtain sufficient appropriate audit evidence to satisfy themselves that (i) no further allowance for impairment loss is required with respect to the remaining consideration receivable of S$225,000 due from the disposal of a former subsidiary, GPE Power Systems (M) Sdn Bhd ("**GPE**") and (ii) no allowance for impairment loss is required with respect to receivables due from GPE, which amounted to S$3,210,000. The Company's auditors were also unable to obtain sufficient appropriate audit evidence with respect to the cash flows that can be received by the Group and the Company in settlement of the said receivables mentioned in sub-point (ii) above.

For the purposes of this section, unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Company's announcements on 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021, 20 October 2021, 25 February 2022, 13 May 2022, 24 June 2022 and 21 April 2023.

In respect of audit issue (i) above, as disclosed in the Company's announcements on 19 October 2020 and 9 March 2021, the Company initially contemplated the appointment of a law firm to commence legal action against Ms. Chong Shin Mun (the "**Purchaser**") and the Guarantor for the purposes of recovering the outstanding Fourth Tranche Consideration as the amounts demanded under the Letters of Demand which had been served on the Purchaser and the Guarantor on 25 September 2020 (the "**Demanded Amounts**"), further details of which are provided in the Company's announcements dated 25 September 2020 and 19 October 2020, had not been received by the Company.

As subsequently disclosed in the Company's announcements dated 1 March 2021, 9 March 2021, 14 April 2021 and 20 April 2021, on the advice of the Company's legal advisors, prior to the commencement of legal action, the Company had sought a written consent from the Purchaser to waive her jurisdictional rights in Singapore in favour of Malaysia, due to cost considerations. The waiver was received by the Company from the Purchaser on 14 December 2020.

Following receipt of the waiver, the Purchaser informed the Company of a new offer for the proposed sale of her assets and requested for additional time to complete the sale, which proceeds have been assigned to the Company to satisfy the Demanded Amounts. As a result of this new development, the Board had deliberated at length during its meeting in December 2020 and decided to stay its earlier decision to commence legal action and grant the Purchaser reasonable time to settle the Demanded Amounts through the sale of her assets. In arriving at their decision, the Board had considered that:

(a) the Purchaser had, in addition to the existing security, committed to assigning the proceeds of the sale of the Purchaser's assets to the Company; and

(b) the Purchaser had provided the Company with a total of 810,000,000 shares amounting to S$810,000. Save for the 140,000,000 shares with a value amounting to S$140,000 which had yet to be monetized as at the time of the board meeting, 670,000,000 shares amounting to S$670,000 given to the Company as partial payment towards the Purchase Price had been monetized successfully without commencing legal action.

Furthermore, the Board also weighed the legal costs, time and potential recoverability of the Demanded Amounts against any potential detriment to the Company for staying the legal action and took the view that there would not be significant detriment to the Company in staying the legal action for a reasonable period, and any legal action may actually adversely impact any potential sale of the Purchaser's assets and the Purchaser's ability to satisfy the Demanded Amounts. For the reasons disclosed in the Company's announcement dated 20 April 2021, the Audit Committee of the Company ("**AC**") maintains the view that the ongoing engagement with the Purchaser is in the best interests of the Company and its shareholders and should be continued at this juncture, while the AC continues to monitor and review the situation for any changes to the detriment of the Company.

As of 24 June 2022, the Purchaser has since completed the transfer of, and successfully monetized, all the Controlled Shares under the 27 June 2019 Share Charge and all the Further Controlled Shares under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge. The proceeds from such transfers, amounting to an aggregate of S$810,000, have been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser. As at the date of this announcement, the total amount outstanding from the Purchaser is S$1,250,174 (of which S$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual reports for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022).

The Company will work closely with the Purchaser to ensure the recovery of the Demanded Amounts upon the sale of the Purchaser's assets. Meanwhile, the Board will continually assess and review this matter periodically until resolution.

In respect of audit issue (ii) above, the outstanding payments due from GPE amount to S$3,336,446. On 26 July 2022, the Company received a payment of S$90,000 from GPE. The Purchaser, in her capacity as the majority shareholder and director of GPE, is negotiating the sale of certain of her assets in order to settle such outstanding payments together with the remaining outstanding Fourth Tranche Consideration. The proposed sale of these assets involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve.

The Purchaser is currently undertaking efforts to carve out and apportion the land that the assets are presently situated on, a process that is complex and may take an indeterminate time to complete. In view of these challenges, the Company is concurrently engaging with the Purchaser on other alternative means of monetising these assets by looking for a suitable site to relocate the assets in order to expedite the completion of the proposed sale. The Company will provide an update to shareholders as and when there are material developments in this regard and seek necessary shareholders' approval if required.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed to date.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recently audited consolidated financial statements for the financial year ended 31 December 2022.

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.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to its operations and effective for annual periods beginning on 1 January 2023. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

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			
	3Q2023	**3Q2022**	**9M2023**	**9M2022**
Loss per share based on the weighted average number of shares in issue (in cents):				
Basic and diluted loss per share				
From continuing and discontinued operations	(0.0047)	(0.0037)	(0.0077)	(0.0103)
From continuing operations (Note (a) and (c))	(0.0047)	(0.0037)^	(0.0077)	(0.0103)^
From discontinued operations (Note (b) and (d))	-	-*^	-*	-*^

*Amount is less than S$0.0001

Restated: Certain comparative figures (marked with "^") were restated due to the disposal of a majority shareholding interest in a former subsidiary, Cahya Suria Services Sdn. Bhd. in 9M2023. Please refer to page 24 of this announcement for further details on the said disposal.

(a) Basic and diluted loss per share from continuing operations for 3Q2023 was calculated by dividing the loss attributable to equity holders of the Company from continuing operations of S$798,000 (3Q2022: S$620,000) by the weighted average number of shares for 3Q2023 of 16,974,767,048 (3Q2022: 16,722,019,795).

(b) Basic and diluted loss per share from discontinued operations for 3Q2022 was calculated by dividing the loss attributable to equity holders of the Company from discontinued operations of S$143 by the weighted average number of shares for 3Q2022 of 16,674,767,048. There was no profit or loss attributable to equity holders of the Company from discontinued operations for 3Q2023.

(c) Basic and diluted loss per share from continuing operations for 9M2023 was calculated by dividing the loss attributable to equity holders of the Company from continuing operations of S$1,301,000 (9M2022: S$1,726,000) by the weighted average number of shares for 9M2023 of 16,974,767,048 (9M2022: 16,722,019,795).

(d) Basic and diluted loss per share from discontinued operations for 9M2023 was calculated by dividing the profit attributable to equity holders of the Company from discontinued operations of S$1,000 (9M2022: loss attributable to equity holders of the Company from discontinued operations of S$3,000) by the weighted average number of shares for 9M2023 of 16,974,767,048 (9M2022: 16,722,019,795).

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.

Please refer to Note 9 as disclosed in the Condensed Interim Consolidated Financial Statements for 9M2023 for further information.

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.

Please refer to Appendix A for the review of the performance of the Group during 9M2023.

9. 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.

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 operating period and the next 12 months.

The Group operates in Southeast Asia, a region that is heavily reliant on the major global powers and is highly susceptible to external economic shocks such as the persistent elevated levels of inflation that currently afflict global economies. The outlook for global inflation for 2023 and in the near term is still highly uncertain and remains tilted to the upside. Other factors which may impact the Group include higher global commodity prices due to worsening of geopolitical conflicts such as the ongoing Russo-Ukrainian war and the recent Israel-Hamas War that threatens to spiral into wider conflict with other countries in the Middle East and beyond, extreme weather conditions, and higher costs due to volatile foreign currency exchange rates. The uncertain global economic situation, along with geopolitical tensions, may have an adverse impact on the Group's operations and performance. Inflation may drive up financing costs generally. In particular, the Group's oil and gas equipment segment is highly susceptible to geopolitical risks and has been adversely affected by the price increases from our principals with short quotation validity. Meanwhile, Malaysia, a key market for the Group, recently underwent a change in its government in November 2022 following the Malaysian general election. While the Group is actively communicating and engaging with relevant stakeholders, it is possible that the Group may encounter delays in the negotiations for and progress of certain renewable energy projects in Malaysia arising from the change in government personnel.

Given these challenges, the Directors are adopting a cautious approach by closely monitoring developments and implementing measures to mitigate potential negative impacts. The Group's diversification into the green technology and renewable energy sector since 2016 has strategically positioned the Group as an energy transition company and is expected to play a critical role in balancing the energy trilemma of security, affordability, and environmental sustainability. Apart from smaller-scale projects involving the electrification of off-grid facilities using green hydrogen, the Group has been exploring opportunities to support bigger scale projects for cross border energy export through various strategic alliances. Further to the Group's resetting strategy, the Group is also considering streamlining its current operations by consolidating its business units and/or business segments to, *inter alia*, improve cost-efficiency and attain wider brand awareness. The Board is actively evaluating various strategies, including fundraising, acquisitions of suitable businesses, and restructuring of existing businesses and assets, while also focusing on realistic approaches to cashflows and expense management.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and
No dividend has been declared.

(b)(i) Amount per share
Not applicable.

(b)(ii) Previous corresponding period
Not applicable. No dividend was declared for 9M2022.

(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.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.
No dividend has been recommended or declared for the financial period under review as the Group is currently not profit-making.

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.
The Group has not obtained a general mandate from shareholders of the Company for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There was no interested person transaction, as defined in Chapter 9 of the Catalist Rules, entered into by the Company or any of its subsidiaries during 9M2023.

14. 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 were no outstanding IPO proceeds or other proceeds arising from any offerings pursuant to Chapter 8 of the Catalist Rules during 9M2023.

15. 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 the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby 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 condensed interim consolidated financial statements for the financial period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sandra Liz Hon Ai Ling	Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
Executive Director and Chief Executive Officer	Independent and Non-Executive Chairman

Singapore
10 November 2023

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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue
The Group reported revenue of S$1,617,000 in 3Q2023, which was a 4% increase of S$57,000 from S$1,560,000 in 3Q2022. The Group reported higher revenue in 3Q2023 as compared to 3Q2022 mainly due to higher revenue generated from its oil and gas equipment segment in 3Q2023.

The Group reported revenue of S$8,859,000 in 9M2023, which was an increase of S$4,913,000 from S$3,946,000 in 9M2022. This was mainly due to higher revenue generated from its oil and gas equipment segment in 9M2023.

Cost of sales
The Group reported cost of sales of S$1,228,000 in 3Q2023, which was a 64% increase of S$480,000 from S$748,000 in 3Q2022. The Group reported higher cost of sales in 3Q2023 as compared to 3Q2022 mainly due to higher cost of sales incurred in its oil and gas equipment segment in 3Q2023.

The Group reported cost of sales of S$6,726,000 in 9M2023, which was an increase of S$4,457,000 from S$2,269,000 in 9M2022. This was mainly due to higher cost of sales incurred in its oil and gas equipment segment in 9M2023.

Gross Profit
The Group reported a gross profit of S$389,000 in 3Q2023, which was a 52% decrease of S$423,000 from S$812,000 in 3Q2022. The gross profit margin in 3Q2023 was 24%, which was a decrease of 28% from 52% in 3Q2022. This was mainly due to projects with lower gross profit margin which were recognised by the oil and gas equipment segment in 3Q2023 as compared to 3Q2022.

The Group reported a gross profit of S$2,133,000 in 9M2023, which was a 27% increase of S$456,000 from S$1,677,000 in 9M2022. The gross profit margin in 9M2023 was 24%, which was a decrease of 18% from 42% in 9M2022. Although the gross profit margin decreased by 18% between 9M2022 and 9M2023, the Group reported higher gross profit in 9M2023 as compared to 9M2022 due to higher revenue generated in 9M2023.

Other income
The Group received other income of S$46,000 in 3Q2023, which was an increase of S$47,000 from a deficit of S$1,000 in 3Q2022. The other income received in 3Q2023 arose mainly from foreign exchange gains. By comparison, in 3Q2022, other income mainly from foreign exchange losses.

The Group received other income of S$161,000 in 9M2023, which was a 2% decrease of S$3,000 from S$164,000 in 9M2022. In 9M2023, other income comprised mainly foreign exchange gains, commission income, government grants, and a bad debt recovered. The bad debt recovered concerned Industrial Engineering Systems Pte Ltd, a wholly-owned subsidiary of the Company, which had recovered a bad debt of S$11,000 from its receivable which had been previously written off in 1Q2023. By comparison, in 9M2022, other income comprised mainly exhibition income received and a gain on foreign currency exchange. Foreign exchange gain was higher in 9M2023 as compared to 9M2022 mainly due to the fluctuation of the United States Dollar, Malaysian Ringgit and Indonesian Rupiah against the Singapore Dollar during 9M2023.

Interest income
The Group received interest income of S$50,000 in 3Q2023 and 3Q2022. This represents a marginal variance.

The Group received interest income of S$150,000 in 9M2023, which was a 3% decrease of S$4,000 from S$154,000 in 9M2022. This represents a marginal variance.

Selling and distribution expenses
The Group incurred selling and distribution expenses of S$52,000 in 3Q2023, which was a 16% increase of S$7,000 from S$45,000 in 3Q2022. This was mainly due to higher travelling expenses incurred during 3Q2023.

The Group incurred selling and distribution expenses of S$144,000 in 9M2023, which was a 11% decrease of S$18,000 from S$162,000 in 9M2022. This decrease was mainly due to exhibition costs incurred in 9M2022 which were not incurred in 9M2023.

Administrative and general expenses
The Group incurred administrative and general expenses of S$1,096,000 in 3Q2023, which was a 21% decrease of S$300,000 from S$1,396,000 in 3Q2022. This decrease was mainly due to reduction in employment expenses in 3Q2023. The depreciation charged on PPE and ROU assets remained fairly consistent between 3Q2023 and 3Q2022.

The Group incurred administrative and general expenses of S$3,329,000 in 9M2023, which was a 3% decrease of S$89,000 from S$3,418,000 in 9M2022. This decrease was mainly due to lower employment expenses offset against higher professional fees and office expenses incurred during 9M2023. The depreciation charged on PPE and ROU assets remained fairly consistent between 9M2023 and 9M2022.

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. (cont'd)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

<u>Other expenses</u>
The Group incurred other expenses of S$3,000 in 3Q2023, which was an 73% decrease of S$8,000 from S$11,000 in 3Q2022. Other expenses incurred in 3Q2023 were mainly due to loss on an asset disposal. By comparison, in 3Q2022, other expenses were mainly due to one-off loss of inventory cost.

The Group incurred other expenses of S$5,000 in 9M2023, which was a 71% decrease of S$12,000 from S$17,000 in 9M2022. Other expenses incurred in 9M2023 were mainly due to bad debt written off upon the disposal of CSS and loss on an asset disposal. By comparison, in 9M2022, other expenses were mainly due to fair value loss on a financial asset and one-off loss of inventory cost.

<u>Impairment losses on trade and other receivables</u>
The Group incurred impairment losses on other receivables of S$4,000 during 9M2022. The Group did not incur any impairment losses on trade and other receivables for 3Q2023, 3Q2022 and 9M2023.

<u>Finance costs</u>
The Group incurred finance costs of S$55,000 in 3Q2023, which was a 25% increase of S$11,000 from S$44,000 in 3Q2022. The increase in the Group's finance costs in 3Q2023 was mainly due to higher interest paid to third parties.

The Group incurred finance costs of S$120,000 in 9M2023, which was a 43% decrease of S$90,000 from S$210,000 in 9M2022. The decrease in the Group's finance costs in 9M2023 was mainly due to the full repayment of borrowings from third parties in 1Q2023.

<u>Tax expense</u>
The Group recognised tax income of S$14,000 in 3Q2023. The tax expense arose mainly from the revenue generated by the oil and gas equipment segment during 3Q2023.

The Group incurred tax expense of S$45,000 in 9M2023, which was an increase of S$26,000 from S$19,000 in 9M2022. The tax expense arose mainly from the revenue generated by the oil and gas equipment segment during 9M2023.

<u>Profit from discontinued operations</u>
The Group's discontinued operations pertained to CSS, a former indirect wholly owned subsidiary of the Company. The Company had disposed of 9,000 ordinary shares representing 90% of the shareholdings of CSS to a third party purchaser during 1Q2023. As at the date of disposal on 1 February 2023, the profit after tax attributable from discontinued operations was S$1,000.

<u>Loss for the financial period</u>
The Group reported a loss for the financial period of S$735,000 in 3Q2023, which was an 16% increase of S$100,000 from S$635,000 in 3Q2022. The higher losses incurred by the Group in 3Q2023 were mainly due to lower gross profit as explained above.

The Group reported a loss for the financial period of S$1,198,000 in 9M2023, which was a 35% decrease of S$640,000 from S$1,838,000 in 9M2022. The lower losses incurred by the Group in 9M2023 were mainly due to higher gross profit as explained above.

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:-

(b) 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

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

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by S$483,000 from S$674,000 as at FY2022 to S$1,157,000 as at 9M2023. The decrease is mainly due to addition of ROU assets offset against depreciation charged on PPE and ROU assets.

Current assets

The Group's current assets decreased by S$2,464,000 from S$14,151,000 as at FY2022 to S$11,687,000 as at 9M2023. The decrease is primarily due to the decrease in cash and cash equivalents, fixed deposits, and trade and other receivables offset against an increase in inventories.

Non-current liabilities

There was an increase in the Group's non-current liabilities of S$195,000 from S$705,000 as at FY2022 to S$900,000 as at 9M2023. The increase is mainly due to the addition of lease liabilities offset against the reclassification of long-term borrowings to short-term borrowings.

Current liabilities

The Group reported current liabilities of S$12,655,000 as at 9M2023, which is a decrease of S$883,000 from S$13,538,000 as at FY2022. This decrease is mainly due to decrease in contract liabilities offset against increase in trade and other payables and borrowings arising from the reclassification of long-term borrowings to short-term borrowings and addition of borrowings.

Negative Working Capital

The Group reported negative working capital of S$968,000 as at 9M2023, which is a decrease of S$1,581,000 from positive working capital of S$613,000 as at FY2023. This decrease is mainly due to addition of short term borrowings in FY2023 and the deferred income in current liabilities which is expected to be recognised as revenue within the next 12 months.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was a net capital deficiency of S$760,000 as at 9M2023. This represents a decrease of S$1,395,000 from S$635,000 as at FY2022. This decrease is mainly attributable to losses incurred during 9M2023.

STATEMENT OF CASH FLOWS

3Q2023

The Group recorded a net cash generated from operating activities of S$34,000 in 3Q2023 (3Q2022: S$84,000). This decrease in net cash generated from operating activities is mainly due to repayment of payables in 3Q2023 as compared to 3Q2022.

The Group recorded a net cash used in investing activities of S22,000 in 3Q2023 (3Q2022: S$64,000). The net cash used in investing activities in 3Q2023 was mainly for the purchase of plant and equipment.

The Group posted a net cash generated from financing activities of S$297,000 in 3Q2023 (3Q2022: net cash used in financing activities of S$156,000). The net cash generated from financing activities in 3Q2023 mainly comprise proceeds from borrowings of S$500,000, which were offset by interest paid on borrowings of S$56,000 and repayment of borrowings and lease liabilities of S$147,000.

9M2023

The Group recorded a net cash used in operating activities of S$889,000 in 9M2023 (9M2022: net cash generated from operating activities of S$190,000). This was mainly due to the repayment of payables in 9M2023.

The Group recorded a net cash used in investing activities of S$46,000 in 9M2023 (9M2022: S$73,000). The net cash used in investing activities in 9M2023 is mainly due to payments made to acquire plant and equipment.

The Group recorded a net cash generated from financing activities of S$578,000 in 9M2023 (9M2022: net cash used in financing activities of S$68,000). The net cash generated from financing activities in 9M2023 mainly comprised the release of a fixed deposit of S$92,000 and proceeds from borrowings of S$1,500,000, offset against interest paid on borrowings of S$300,000, placement of a fixed deposit pledge of S$71,000 and repayment of borrowings and lease liabilities of S$643,000.

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 (cont'd).

MATTERS ARISING DURING 2023

Recovery of Consideration Payable to the Company pursuant to the Disposal of GPE

Reference is made to the Company's announcements on 26 July 2018, 29 October 2018, 15 January 2019, 15 February 2019, 2 May 2019, 20 May 2019, 31 May 2019, 9 June 2019, 27 June 2019, 19 July 2019, 13 August 2019, 27 August 2019, 3 October 2019, 5 November 2019, 11 November 2019, 12 November 2019, 26 November 2019, 9 December 2019, 15 December 2019, 4 February 2020, 2 March 2020, 9 March 2020, 1 May 2020, 14 May 2020, 22 May 2020, 23 June 2020, 21 August 2020, 28 August 2020, 25 September 2020, 19 October 2020, 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021, 20 October 2021, 25 February 2022, 13 May 2022, 24 June 2022 and 21 April 2023 (collectively, the "**Earlier Announcements**") in relation to, *inter alia*:

(a) the Sale and Purchase Agreement entered into between the Company and Chong Shin Mun (the "**Purchaser**") on the disposal by the Company of its entire shareholding interest in GPE;

(b) the Share Charge and Control Deed dated 27 June 2019 over 697,330,000 Controlled Shares ("**27 June 2019 Share Charge**"), the Share Charge and Control Deed dated 12 December 2019 over 50,000,000 Further Controlled Shares ("**12 December 2019 Share Charge**"), and the Share Charge and Control Deed dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares ("**9 March 2020 Share Charge**") entered into between the Company and the Purchaser;

(c) the Power of Attorney dated 27 June 2019 over 697,330,000 Controlled Shares, the Power of Attorney dated 12 December 2019 over 50,000,000 Further Controlled Shares, and the Power of Attorney dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares granted by the Purchaser to the Company; and

(d) the service of the Letters of Demand on the Purchaser and Tan Yock Chew (the "**Guarantor**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Earlier Announcements.

As of 24 June 2022, the Purchaser has since completed the transfer of, and successfully monetized, all the Controlled Shares under the 27 June 2019 Share Charge and all the Further Controlled Shares under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge. The proceeds from such transfers, amounting to an aggregate of S$810,000, have been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser. As at the date of this announcement, the total amount outstanding from the Purchaser is S$1,250,174 (of which S$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual reports for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022).

As mentioned in section 3A(a) on page 17 of this announcement, the proposed sale of the Purchaser's assets (with a view to facilitating the repayment of the outstanding amounts due from the Purchaser and GPE) involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve. The Purchaser is currently undertaking efforts to carve out and apportion the land that the assets are presently situated on, a process that is complex and may take an indeterminate time to complete. In view of these challenges, the Company is concurrently engaging with the Purchaser on other alternative means of monetising these assets by looking for a suitable site to relocate the assets in order to expedite the completion of the proposed sale. The Company will provide an update to shareholders as and when there are material developments in this regard and seek necessary shareholders' approval if required.

Disposal of 90% Shareholding Interest in a Wholly Owned Subsidiary

On 1 February 2023, the Company has decreased its effective shareholding interest in its former indirect wholly owned subsidiary, CSS from 100% to 10% following a disposal by CSE of 9,000 ordinary shares representing 90% of the shareholdings of CSS to a third-party purchaser (the "**Disposal**") for a cash consideration of RM5,000 (the "**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis and pursuant to negotiations on an arm's length basis, taking into account the net liability value of CSS of RM12,001 (equivalent to S$3,708, based on the prevailing exchange rate of RM1.00 : S$0.3090 as at 30 September 2022 as published by the Monetary Authority of Singapore) for the nine-month financial period ended 30 September 2022. No valuation was conducted in connection with the Disposal.

As disclosed in the Company's announcement dated 1 February 2023, the Board is of the opinion that the Disposal is in line with the Group's efforts to streamline the renewable energy segment into two main business verticals consisting of (i) hydrogen-based renewable energy solutions; and (ii) cross-border and renewable energy development. The Disposal and continued streamlining efforts will continue to strengthen the renewable energy segment and present a clearer strategy for growth going forward.

Meanwhile, the Company shall continue to (i) hold a strategic stake of 10% in CSS so as to retain a connection to the Cahya Suria brand and (ii) be able to influence and monitor how the brand is being developed by the Purchaser in the region until such time that the brand is no longer in use or of commercial significance. The Group will also be entitled to a share of the potential profits generated by CSS in accordance with its minority stake.

Please refer to the Company's announcement on 1 February 2023 for further information on the Disposal.

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 (cont'd).

MATTERS ARISING DURING 2023 (cont'd)

Termination of the Framework Agreement Between H2 Energy Sdn Bhd and H2U Power Tech Pty Ltd

Reference is made to the Company's announcement on 11 November 2022 (the "**Earlier Announcement**") in relation to the framework agreement entered into between H2 Energy Sdn. Bhd. (the "**Licensor**") and H2U Power Tech Pty Ltd (the "**Licensee**") on even date (the "**Framework Agreement**"). Unless otherwise defined, for the purposes of this section, all capitalised terms used herein shall bear the same meanings ascribed to them in the Earlier Announcement.

Pursuant to the terms of the Framework Agreement, the Licensor may terminate the Framework Agreement and the Licence immediately by giving written notice to the Licensee if, *inter alia*, the parties to the Proposed Transaction fail to obtain written approval from the Australian Securities Exchange ("**ASX**") for the Proposed Transaction within six (6) months from the date of the Framework Agreement, such date being 10 May 2023 (the "**Long Stop Date**"). The "Proposed Transaction", for the purposes of the Framework Agreement, means the acquisition of all of the issued shares of the Licensee by a company listed on the ASX.

On 30 May 2023, as the parties to the Proposed Transaction have not obtained the ASX's written approval for the Proposed Transaction and the Licensee requires more time to procure the same, the Company announced that the Licensor and Licensee have agreed (i) not to extend the Long Stop Date and (ii) terminate the Framework Agreement with immediate effect. However, the Licensor and Licensee may re-enter into a new framework agreement in the future, if appropriate.

Increase in Paid-Up Share Capital of Panah Jaya Services Sdn. Bhd. ("PJKL")

As announced by the Company on 10 July 2023, PJKL, a wholly-owned subsidiary of P.J. Services Pte. Ltd. which is, in turn, wholly-owned by the Company, has increased its issued share capital from RM350,000 to RM5,250,000 by way of an issuance of 4,900,000 new ordinary shares fully paid in the capital of PJKL ("**New Shares**") at an issue price of RM1.00 per New Share. The issuance of the New Shares was made by way of the capitalisation of the sum of RM4,900,000 then standing to the credit of PJKL's accumulated profits.

Incorporation of a New Wholly-Owned Subsidiary and Internal Transfer of Shares Within the Group

The Company incorporated a new direct wholly-owned subsidiary, H2E International Pte. Ltd. ("**H2EI**") in Singapore on 12 October 2023. The issued and paid up capital is S$1,000 comprising 1,000 ordinary shares. The principal activities of H2EI are investment holding, operation of generation facilities that produce electricity energy, and wholesale of industrial machinery, equipment and supplies. The incorporation of H2EI is funded through the internal resources of the Group.

The Company has transferred its entire shareholding comprising 10,000 ordinary shares in Cahya Suria Energy Sdn. Bhd. ("**CSE**") to H2EI for an aggregate cash consideration of RM10,000 (the "**Transfer**") on 2 November 2023. Prior to the Transfer, CSE was a direct wholly-owned subsidiary of the Company. Following the Transfer, there will not be any change in the effective shareholding of the Company in CSE, and CSE will become an indirect wholly-owned subsidiary of the Company.