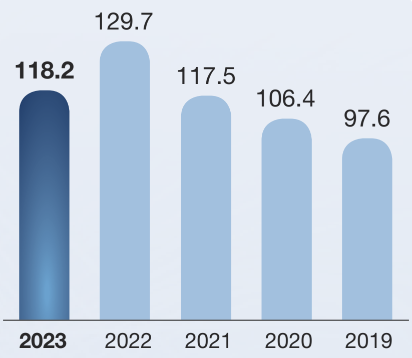
GSS ENERGY

EXPANDING
RESHAPING
DIVERSIFYING

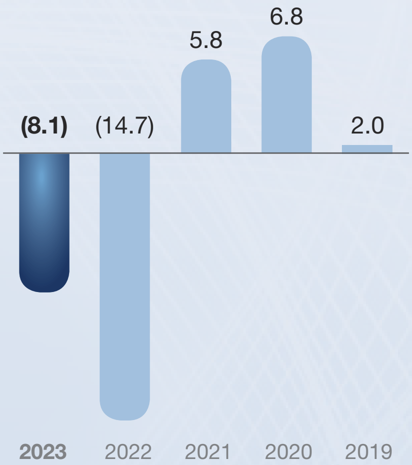
ANNUAL REPORT 2023

CONTENTS

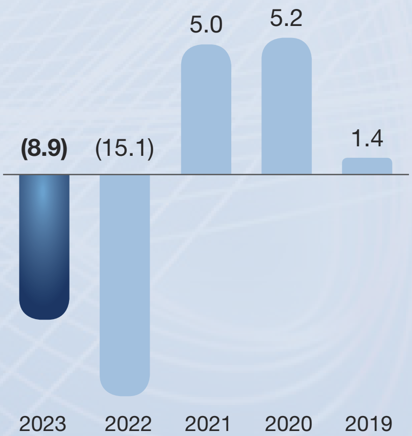
GROUP FINANCIAL SUMMARY



TURNOVER
S$ mil



NET (LOSS)/PROFIT BEFORE TAX
S$ mil



NET (LOSS)/PROFIT AFTER TAX
S$ mil

	2023 $ mil	2022 $ mil	2021 $ mil	2020 $ mil	2019 $ mil
Financial Performance					
Turnover	**118.2**	129.7	117.5	106.4	97.6
Net (Loss)/Profit Before Tax	**(8.1)**	(14.7)	5.8	6.8	2.0
Net (Loss)/Profit After Tax	**(8.9)**	(15.1)	5.0	5.2	1.4
Financial Position					
Property, Plant & Equipment	**22.6**	23.8	23.5	24.5	11.2
Other Non-Current Assets	**23.8**	24.4	19.9	15.4	18.5
Current Assets (excludes*)	**42.8**	45.5	67.5	56.7	39.8
*Cash and Bank Balances	**14.9**	15.2	15.7	7.1	7.2
Total Assets	**104.1**	108.9	126.6	103.7	76.7
Other Non-Current Liabilities	**7.9**	7.9	5.8	4.2	1.9
Long-Term Borrowings	**4.7**	2.4	3.9	4.4	-
Short-Term Borrowings	**21.3**	11.9	14.5	8.8	5.5
Other Current Liabilities	**28.7**	35.4	37.2	32.4	21.4
Total Liabilities	**62.6**	57.6	61.4	49.8	28.8
Capital Reserve	**-**	-	-	-	-
Translation Reserve	**(1.6)**	(0.6)	0.9	(0.4)	(1.1)
Statutory Reserve	**1.5**	1.5	1.5	1.4	1.3
Revenue Reserve	**(23.8)**	(18.8)	(3.3)	(8.3)	(13.8)
Equity Non-Controlling Interest	**0.1**	0.1	0.1	0.1	0.1
Share Capital	**66.7**	66.7	63.4	58.6	58.5
Total Capital & Reserve	**42.9**	52.6	66.4	55.1	48.7
Non-Controlling Interests	**(1.4)**	(1.3)	(1.2)	(1.1)	(0.7)
Total Capital, Reserve & Non-Controlling Interests	**41.5**	51.3	65.2	54.0	47.9
Financial Ratios					
Net Tangible Assets Per Share (Cents)	**2.81**	4.35	10.50	10.20	9.22
(Loss)/ Earnings Per Share Before Tax (Cents)	**(1.29)**	(2.33)	1.00	1.38	0.40
(Loss)/Earnings Per Share After Tax (Cents)	**(1.42)**	(2.42)	0.99	1.13	0.40

CHAIRMAN AND CEO'S MESSAGE

MR ANTHONY KUEK
Chairman
Independent Non-Executive Director

MR SYDNEY YEUNG
Group Chief Executive Officer

> "FY2024 marks the Group's transition to EVs and related businesses, including the battery packing and EV charging businesses pursuant to the proposed diversification, which remains subject to shareholders' approval at the forthcoming annual general meeting. The synergy between PE and EVs and related businesses will underpin the Group's sustainability push in the years ahead."

Dear Shareholders,

We are pleased to present our Annual Report on the group's performance for the financial year ended 31 December 2023 ("**FY2023**").

FY2023 was marked by challenging economic and market conditions, which have persistently characterised the Group's operating landscape in past years. The post-pandemic aftermath, characterised by geopolitical tensions, slow recovery from supply chain disruptions and high global interest rates, has impacted the Group's performance.

Financial Performance

In FY2023, the GSS Energy Group posted a net loss after taxation of S$8.93 million, compared with the S$15.09 million loss in the previous financial year ended 31 December 2022 ("**FY2022**"). The S$15.09 million loss in 2022 included a one-time impairment charge of S$12.58 million following the transfer of the Group's operational control and interest[1] in its oil and gas asset to our Indonesian partner. The S$8.93 million loss in FY2023 was mainly due to business development and research costs associated with the electric vehicle ("**EV**") business, higher financing costs resulting from elevated interest rates, and softer demand amid a weak economy.

The Group's precision engineering ("**PE**") business generated revenue of S$118.20 million in FY2023, reflecting an 8.86% year-on-year decrease from the S$129.96 million in FY2022 due to a slower global recovery following the end of the pandemic. The gross margin also declined to 9.9% compared to 12.22% in FY2022, as a result of higher material prices, inventory, and financing costs.

As shareholders, you may recall the Group's strategic objective – since its reorganisation almost a decade ago – of complementing its ongoing PE business with higher value-added output and a broader clientele. This vision was achieved by the PE business collaborating well with several established

[1] The Group retains an effective equity interest of 17.8%.

CHAIRMAN AND CEO'S MESSAGE

clients who were working on various electronic and consumer product lines featuring higher value-added outputs. The previous progressive growth in revenue reflected our efforts to establish new production lines and enhance margins, but the pandemic had derailed these plans.

The Group had also ventured into the oil and gas business in Indonesia with a secured lease on oil fields with proven residue reserves, which was prospective at the time of acquisition but development proved more challenging than anticipated. From the outset, the Group encountered complex business, regulatory, and implementation challenges that hindered ongoing exploratory and extraction operations, resulting in an impairment of around S$34.80 million from the venture in the financial year ended 31 December 2015[2]. Despite persistent obstacles, the Group was committed to operationalising its oil and gas operations through its Indonesia-incorporated subsidiary P.T. Sarana GSS Trembul. Regrettably, the pandemic froze all operations, straining the financial resources of the Group and its collaborative partner, resulting in Pertamina's termination of its cooperative agreement. Consequently, the Group had to report a further impairment of S$12.58 million in FY2022 as the appeal against the termination was not obtained prior to the end of FY2022. The impairment of the investment in the associate and the amount due from the associate was a prudent approach undertaken by the Company. As of the date of this Annual Report, the appeal is still in progress, and we will update once the appeal is finalised.

A New Business Direction

Nonetheless, the Board and the Management remain resolute in their commitment to navigating the challenges faced by the Group and implementing strategic measures to enhance the Group's operational resilience and restore operational growth.

The Group identified EV mobility as a promising sector and acquired Edison Motors in 2022, a Thai-incorporated entity, which possesses certain patents in relation to electric two-wheelers and has successfully developed UNO-X electric two-wheelers for the Group. In collaboration with this established Italian brand, the production for this model started in the fourth quarter of 2023, and at the same time, the distribution network for this model in Hong Kong and Thailand, including obtaining the regulatory approvals for its launch, is being finalised. The Group aims to obtain these regulatory approvals for Hong Kong and Thailand by mid-2024 for the launch in the second half of 2024.

A related area in the EV mobility sector is battery packing, which is one of the business fields we are proposing to diversify into (through Giken Renewable Energy Solutions Pte. Ltd), subject to shareholder approval being obtained at the forthcoming annual general meeting ("**AGM**"). Pursuant to the proposed diversification, we aim to be able to manufacture battery packs which meet the highest standards of performance and safety, by leveraging on leading battery cell technology and specialised materials to be provided by potential partners. In addition, we hope to enter into collaborations with partners in this diversified business stream to broaden our market reach, connect us with an extensive network of potential customers, and bolster our position in the battery packing business. Please refer to Appendix B to the Notice of AGM for further information on the proposed diversification.

Turnover

S$118.2M

Net Tangible Assets Per Share (Cents)

2.81

[2] GSS_AR_2015_FINAL.ashx (sgx.com)

CHAIRMAN AND CEO'S MESSAGE

By combining our strengths with prospective partners for the proposed diversified business, we hope to make significant strides in the EV landscape, ensuring that safety, performance, and sustainability remain at the forefront of our offerings.

Leadership and Governance Transition

In response to the expansion of the EV business, the Group implemented a leadership renewal plan and appointed Mr Wong Liong Khoon, General Manager of Changzhou Giken Precision Company, to take over as the Group's Chief Financial Officer in 2023. He succeeded Mr Ng Say Tiong, who had held the position for over twenty years. Mr Wong brings over two decades of experience within the Group, having previously worked with Mr Ng in the treasury, finance, and corporate secretariat sector. Mr Ng remains an Executive Director of the Group and continues to be President of the PE division.

Additionally, we wish to inform our shareholders that Mr Anthony Kuek, our esteemed Chairman of the Board, will be stepping down at the upcoming AGM. Having contributed immensely to the Group since he was first appointed as an independent director of the Company on 18 November 2014, Anthony's tenure has seen the Group navigate through challenging times, as well as foster a culture of effective communications, mutual respect, and openness. This has enhanced our adherence to governance standards and earned us accolades for excellence and best practices. Between 2016 and 2020, we were honoured to receive the Excellent Quality Award, and in 2020 and 2021, we received the Good Performance Award, both from PFU Limited[3]. In 2022, Phillips granted us the SQOPE Procurement Award, and in 2023, we were acknowledged with the Quality & Delivery Champion Award from Portescap India[4]. Additionally, the SIAS Investor's Choice Award 2023 recognised our commitment to corporate sustainability, and we were proud to receive the "Singapore Corporate Sustainability Award - Small Cap" for our efforts.

[3 & 4] PFU Limited and Portescap India are customers of the Group.

In accordance with the Catalist Rules, which mandate a nine-year tenure limit for independent directors, Anthony will not seek renewal of his tenure and will also relinquish his roles within the Board and its Committees.

The Nominating Committee and Board are currently in the process of reviewing potential candidates as a replacement for Mr Anthony Kuek and will endeavour to do so within two (2) months from the date of retirement of Anthony, but in any case not later than three (3) months. The Board extends its deepest appreciation to Mr Anthony Kuek for his dedication, leadership, and invaluable contributions to GSS Energy.

Outlook

FY2024 marks the Group's transition of include to EVs and related businesses pursuant to the proposed diversification, which is subject to shareholders' approval at the forthcoming annual general meeting. The synergy between PE and EVs and related businesses will underpin the Group's sustainability push in the years ahead. With the passion, dedication, and tireless efforts of Management and staff across the Group, we anticipate overcoming the challenges and propelling the Group forward with success and pride.

We extend our gratitude to our shareholders and business partners for their understanding and steadfast support over the past years. We remain optimistic that our strategic move aligns with the global interest in promoting climate change resilience and corporate sustainability.

On behalf of the Board and Management, we express our heartfelt appreciation to all stakeholders and anticipate achieving growth and success in the coming year.

ANTHONY KUEK
Chairman
Independent Non-Executive Director

MR SYDNEY YEUNG
Group Chief Executive Officer

BOARD OF DIRECTORS

MR KUEK ENG CHYE, ANTHONY

Chairman
Independent and Non-Executive Director

Mr. Kuek has over three decades of development banking expertise from his tenure with the Asian regional multilateral development banks in the planning, design and management of infrastructure and social development projects across the Asia and Pacific region. In his role, he led multi-disciplinary teams to engage several Asian countries in public and private sectors development through sustainable infrastructure investments and related governance and climate-related concerns. Additionally, he was appointed to senior consulting positions in finance and coordinating ministries and investment agency in an Asian economy.

Mr. Kuek joined the Board of GSS Energy as an Independent Director in November 2014, and was later appointed as Chairman of the Board in November 2016.

As at date of this Annual Report, Mr. Kuek has exceeded the nine-year tenure limit for independent director from the date of his first appointment. Accordingly, pursuant to Catalist Rule 406(3)(d)(iv), he will no longer be independent and therefore he will not be considered for re-election as an independent director at the forthcoming annual general meeting of the Company. Following Mr. Kuek's retirement as Independent Non-Executive Chairman of the Company, he will cease to be an Independent Director and will relinquish his position as Chairman of the Remuneration Committee and Nominating Committee, and as member of the Audit Committee. The Company is aware of the compliance required for the relevant principles (Provisions 2.2, 2.3, 4.2, 6.2 and 10.2) of the Code of Corporate Governance 2018 and requirements under Catalist Rules 406(3)(c) and 704(6). The Nominating Committee and Board are currently in the process of reviewing potential candidates as a replacement for Mr. Kuek and will endeavour to do so within two (2) months from the date of retirement of Mr. Kuek, but in any case not later than three (3) months.

Date of first appointment as a Director
18 November 2014

Date of appointment as Chairman
15 November 2016

Date of last re-election as a Director
28 July 2023

Board Committee Membership
Chairman of Nominating and Remuneration Committees

Member of Audit Committee

Academic & Professional Qualification
Master in Business Administration,
Ateneo de Manila University, Philippines

Bachelor of Social Sciences (Hons),
University of Singapore

Diploma in Adult Teaching and Learning,
University of Canterbury, New Zealand

Present Directorship other than the Company (Listed company)
Nil

Present Directorship other than the Company (Non-listed company)
Nil

Major appointment (other than Directorship)
Nil

BOARD OF DIRECTORS

MR YEUNG KIN BOND, SYDNEY
Group Chief Executive Officer
Executive Director

Mr. Yeung has many years of experience in the financial industry, starting his career in the Institutional Equity Division at Morgan Stanley New York and as the Managing Director of International Trading at Van der Moolen, a US securities specialist firm.

Mr. Yeung has been serving as the Group CEO at GSS Energy since 2015 focusing on the Precision Engineering, Electric Vehicles and Oil and Gas businesses. Mr. Yeung is an active member of the Rotary Club of Queenstown, Singapore.

Date of first appointment as a Director
31 November 2014

Date of last re-election as a Director
29 April 2022

Board Committee Membership
Member of Nominating Committee

Academic & Professional Qualification
Fordham University

Present Directorship other than the Company (Listed company)
Nil

Present Directorship other than the Company (Non-listed company)
Giken Sakata (S) Limited
Giken Precision Engineering (S) Pte. Ltd.
Changzhou Giken Precision Co., Ltd
Changzhou Giken Technology Co., Ltd.
Changzhou Giken Import & Export Co., Ltd
GSS Energy Trembul Limited
Giken Motors Asia Pacific Pte. Ltd.
Turbo Charge Limited
Avita-Giken Technology Pte. Ltd.
Giken Trading (S) Pte. Ltd.
Giken Mobility Pte. Ltd.
Giken Motors Asia Pacific Pte. Ltd.
Edison Motors Co., Ltd
Giken Renewable Energy Solutions Pte. Ltd.
Gik-EM Pte. Ltd.
I-Motor Asia Limited
I Motor Korea Co., Ltd
Roots Capital Asia Limited
Ares Asia Limited

Major appointment (other than Directorship)
PT Giken Precision Indonesia (Commissioner)
PT Sarana GSS Trembul (Commissioner)
Rotary Club, Singapore (Member)

BOARD OF DIRECTORS

MR NG SAY TIONG
Executive Director

Mr. Ng is also the President of the Precision Engineering Division of the Group.

Mr. Ng was previously the Chief Financial Officer cum Marketing Director of Genelabs Diagnostics Co Ltd.

Mr. Ng currently serves as the Trustee and Director of the Singapore Buddhist Lodge.

Mr. Ng previously served as the Vice Chairman of the Marsiling Citizen Consultative Committee, Chairman of the Fuchun Community Club Management Committee, Vice Chairman of the Woodgrove Neigbourhood Committee, Honorary Treasurer of the Yishun Junior College Advisory Board, Honorary Treasurer of the Rotary Club of Queenstown, Singapore and Honorary Treasurer of Singapore Buddhist Lodge.

Mr. Ng was awarded a Public Service Medal (PBM) by the President of Singapore in the 2012 National Day award.

Date of first appointment as a Director
31 October 2014

Date of last re-election as a Director
23 April 2021

Academic & Professional Qualification
Bachelor of Accountancy, National University of Singapore

Graduate Diploma in Marketing Management, Singapore Institute of Management

Master of Business (International Marketing), Curtin University of Technology in Australia

Present Directorship other than the Company (Listed company)
Nil

Present Directorship other than the Company (Non-listed company)
Giken Sakata (S) Limited (President)
Giken Precision Engineering (S) Pte. Ltd.
Changzhou Giken Precision Co., Ltd.
Giken Renewable Energy Solutions Pte. Ltd.
Giken Mobility Pte. Ltd.
Giken Motors Asia Pacific Pte. Ltd.
Edison Motors Co., Ltd

Major appointment (other than Directorship)
PT Giken Precision Indonesia (Commissioner)
Trustee and Director of the Singapore Buddhist Lodge

BOARD OF DIRECTORS

MR LEE KOK BENG
Independent and Non-Executive Director

Mr Lee has over 30 years of experience in electronic manufacturing services industry and currently serves as the Vice President of the Group's Precision Engineering business segment.

Date of first appointment as a Director
3 July 2019

Date of last re-election as a Director
28 July 2023

Academic & Professional Qualification
Diploma in Mechanical Engineering, Singapore Polytechnic

Diploma in Marketing Management, Ngee Ann Polytechnic Singapore

Present Directorship other than the Company (Listed company)
Nil

Present Directorship other than the Company (Non-listed company)
Giken Sakata (S) Limited
Giken Mobility Pte. Ltd.
Changzhou Giken Technology Co., Ltd.
PT Giken Precision Indonesia
PT Giken Technology Indonesia
Turbo Charge Limited
Avita-Giken Technology Pte. Ltd.

Major appointment (other than Directorship)
Nil

BOARD OF DIRECTORS

MR WONG QUEE QUEE, JEFFREY
Independent Non-Executive Director

Mr. Wong is a partner in Solitaire LLP. He was previously a senior adviser of Soochow CSSD Capital Markets (Asia) Pte. Ltd. until 30 April 2023, after stepping down as its Chief Executive Officer on 31 January 2023. Mr. Wong had previously held various senior positions within the Religare Capital Markets ("**RCM**") group, including Chief Operating Officer and Head of Investment Banking for RCM's international business. Mr. Wong also has preceding working experience at UBS AG, Singapore branch and Allen & Gledhill LLP. Mr Wong graduated with a Bachelor of Laws (Second Class Upper Honours) from National University of Singapore.

Date of first appointment as a Director
21 June 2021

Date of last re-election as a Director
29 April 2022

Board Committee Membership
Chairman of Audit Committee; Member of Nominating and Remuneration Committees

Academic & Professional Qualification
Bachelor of Laws (Second Class Upper Honours), National University of Singapore

Advocate and Solicitor of the Supreme Court of Singapore

Solicitor of the Supreme Court of England and Wales

Diploma in Regulatory Compliance (Merit), International Compliance Association

Present Directorship other than the Company (Listed company)
Procurri Corporation Limited
GKE Corporation Limited
Katrina Group Ltd.

Present Directorship other than the Company (Non-listed company)
Truth Assets Management (S) Pte Ltd
Truth Wealth Management VCC

Major appointment (other than Directorship)
Hwa Chong Alumni Association (Deputy Secretary General)

Singapore Judo Federation (Assistant Honorary Secretary General)

Management Committee Strata Title 3682 (Member)

DHC Capital Pte Ltd (Senior Adviser)

Solitaire LLP (Partner)

BOARD OF DIRECTORS

MR FUNG KAU LEE, GLENN
Non-Executive and Non-Independent Director

Mr. Fung has over 30 years of working experience in the financial industry in Canada, New York, Korea and Hong Kong. Prior to relocating to Asia, he held management positions with major investment and securities firms including Merrill Lynch (Canada) and CIBC Wood Gundy. As Executive Vice President of HSBC Securities (Canada) and Vice President of HSBC Brokerage (USA), he managed HSBC's investment advisory business in western Canada and California. In Asia, he was a co-founder and director of Verde Asia Fund, a corporate social responsibility themed equity long/short fund.

Currently, Mr. Fung serves as the Managing Director and CEO of N-Bridge Capital Group International Limited, an investment firm focused on Asia infrastructure and clean energy investments.

Date of first appointment as a Director
25 November 2016

Date of last re-election as a Director
29 April 2022

Board Committee Membership
Member of Audit and Remuneration Committees

Academic & Professional Qualification
MBA and Bachelor of Applied Science (Civil Engineering), University of British Columbia in Canada

Member of Chartered Financial Analyst Institute

Present Directorship other than the Company (Listed company)
Nil

Present Directorship other than the Company (Non-listed company)
N-Bridge Capital Group International Limited (Managing Director and CEO)

Sundan Pacific Limited (Director)

Major appointment (other than Directorship)
Nil

KEY EXECUTIVE OFFICER

MR WONG LIONG KHOON
Chief Financial Officer

Mr Wong joined the Group in 2006 as Finance Manager and advance along the way before assuming the current position as Chief Financial Officer in 2023. He is responsible for the overall financial reporting, compliance, corporate governance, and management of the finance functions of the Group.

Mr Wong is currently a Director of Giken Sakata (S) Ltd, Changzhou Giken Precision Co., Ltd and Changzhou Giken Technology Co., Ltd. He is also the company secretary of Giken Sakata (S) Ltd., Giken Mobility Pte. Ltd., Giken Renewable Energy Solutions Pte. Ltd., Giken Trading (S) Pte. Ltd., Avita-Giken Technology Pte. Ltd. and Giken Motors Asia Pacific Pte. Ltd.

He was the General Manager (Finance and Accounting) for Giken Sakata (S) Ltd. from 2017 to 2023, General Manager (Overall management) for Changzhou Giken Precision Co., Ltd. from 2020 to 2023 and the Company Secretary for the Company in 2023.

Mr Wong is a Chartered Accountant, Non-Practicing from Institute of Singapore Chartered Accountants.

CORPORATE DATA

Board of Directors
Kuek Eng Chye, Anthony
(Independent Non-Executive Chairman)

Yeung Kin Bond, Sydney
(Group Chief Executive Officer, Executive Director)

Lee Kok Beng
(Executive Director)

Ng Say Tiong
(Executive Director)

Wong Quee Quee, Jeffrey
(Independent Director)

Fung Kau Lee, Glenn
(Non-Independent Non-Executive Director)

Audit Committee
Wong Quee Quee, Jeffrey *(Chairman)*
Kuek Eng Chye, Anthony *(Member)*
Fung Kau Lee, Glenn *(Member)*

Nominating Committee
Kuek Eng Chye, Anthony *(Chairman)*
Yeung Kin Bond, Sydney *(Member)*
Wong Quee Quee, Jeffrey *(Member)*

Remuneration Committee
Kuek Eng Chye, Anthony *(Chairman)*
Wong Quee Quee, Jeffrey *(Member)*
Fung Kau Lee, Glenn *(Member)*

Company Secretary
Kiar Lee Noi
(Appointed on 1 October 2023)

Registered Office
141 Cecil Street, #07-06 Tung Ann Association Building
Singapore 069541
Telephone: (65) 6980 8306

Principal Business Address
Block 4012 Ang Mo Kio 10, #05-01 Techplace I, Singapore 569628

Company Registration Number
201432529C

Company Web-site
www.gssenergy.com.sg

Auditors
RSM SG Assurance LLP, Public Accountants and Chartered Accountants, Singapore
(Appointed on 16 November 2023)

Partner-in-charge
Ng Thiam Soon
(Appointed on 16 November 2023)

Sponsor
Stamford Corporate Services Pte Ltd*

Share Registrar, Transfer Office and Warrant Agent
Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632

Principal Bankers
Standard Chartered Bank, Singapore Branch
The Development Bank of Singapore Limited
Oversea-Chinese Banking Corporation Limited
CIMB Bank Berhad, Singapore Branch
Cathay United Bank
Mizuho Corporate Bank, Limited, Singapore Branch
Maybank Singapore Limited

Investor Relations
Gem Comm Pte. Ltd.
Emily Choo
Emily@gem-comm.com

* On 7 March 2024, the Company announced that the Sponsor had given notice to the Company that it will terminate its continuing sponsorship of the Company, with effect from 28 May 2024. The Company has identified a suitable sponsor and will endeavor to appoint the new sponsor by 28 May 2024.

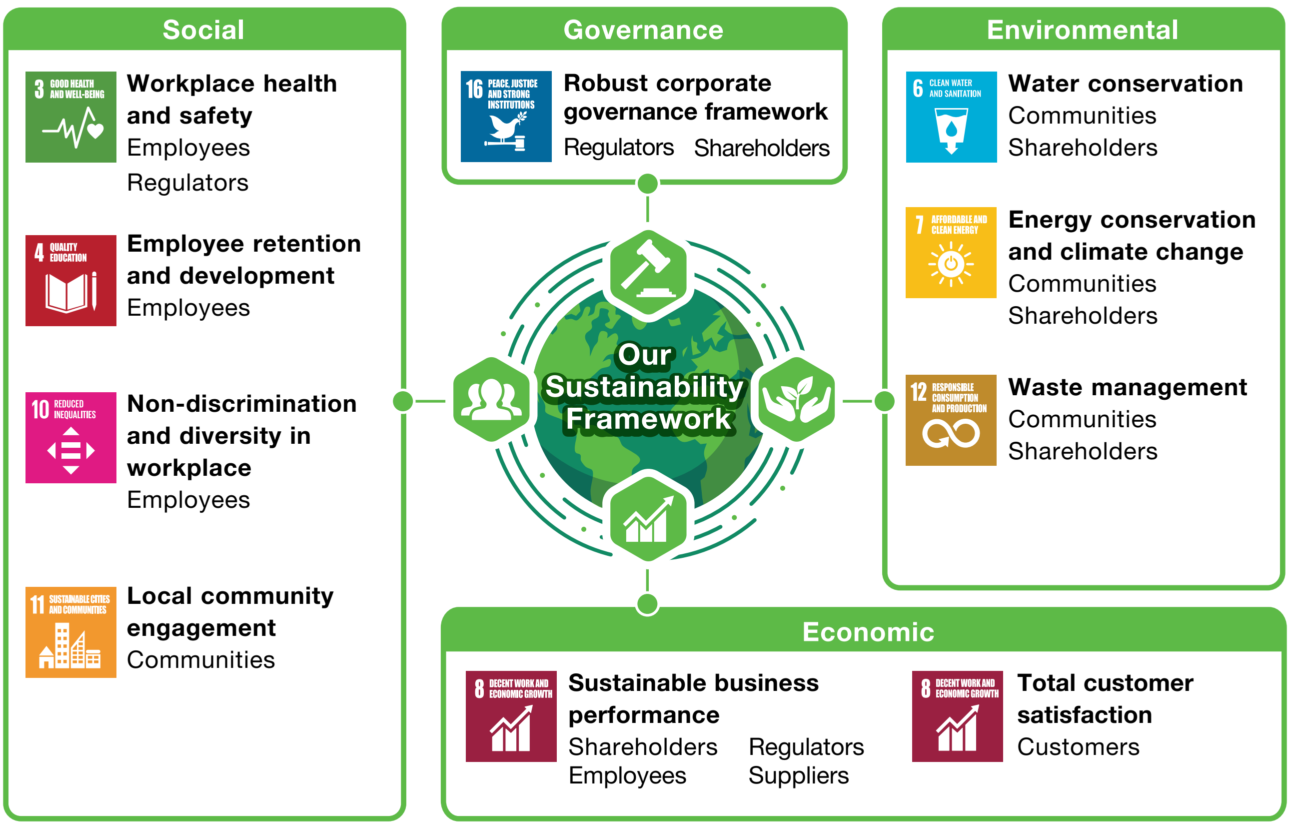
SUSTAINABILITY REPORT

Board Statement

The board of directors (the "**Board**") of GSS Energy Limited ("**GSS Energy**" or the "**Company**") and its subsidiaries (collectively with the Company, the "**Group**") reaffirms its commitment to sustainability with the publication of this sustainability report (this "**Report**"). This Report provides insights into the way the Group conducts its business, while highlighting its key sustainability factors under the sustainability pillars of economic, environmental, social and governance (the "**Sustainability Factors**"). In the Group's sustainability journey, it strives to create long-term value and sustainable returns for its stakeholders whilst, at the same time, remaining conscious of the related sustainability risks and endeavouring to manage such risks responsibly.

The Board has considered the Group's sustainability issues as part of its strategic formulation and business strategies, determined the key Sustainability Factors and overseen the management and monitoring of the key Sustainability Factors. The Board is ultimately responsible for the sustainability of the Group.

Our sustainability framework communicates our commitment towards supporting the United Nations' Sustainable Development Goals (the "**SDGs**"). We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on the SDGs and key Sustainability Factors as follows:



SUSTAINABILITY REPORT

Sustainability Performance at a Glance

A summary of our key sustainability performance in FY2023 and a comparison with FY2022 is provided as follows:

Sustainability category	Performance indicator	Sustainability performance	
		FY2023	FY2022[1]
Economic	Product rejection rate	0.1%	0.1%
	Economic value generated[2]	S$118.9 million	S$127.4 million
	Operating costs[3]	S$91.4 million	S$99.2 million
	Employee benefits paid to employees	S$24.4 million	S$26.0 million
	Payments to providers of capital[4]	S$1.9 million	S$1.4 million
	Tax to governments	S$1.6 million	S$1.3 million
Environmental	Water consumption (CuM)	45,955	58,974
	Greenhouse gas ("**GHG**") emissions - tonnes carbon dioxide equivalent ("**CO_2e**")	13,356	14,532
Social	Number of workplace fatalities	-	-
	Number of high consequence[5] work-related injuries	-	-
	Average training hours per employee	5.3	2.8
	Number of reported incidents of unlawful discrimination[6] against employees	-	-
Governance	Number of reported corruption incidents[7]	-	-
	Number of incidents of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred	-	-

[1] Figures have been adjusted from the previously reported figures mainly due to inclusion of our operating entity in the electric vehicles business in Thailand, Giken Mobility Pte. Ltd.

[2] Economic value generated comprises revenue, other income, interest income, net of government grants and share of loss of an associate.

[3] Operating costs comprise cost of sales, selling and distribution expenses, administrative expenses, other expenses, net of depreciation of property, plant and equipment, amortisation of land use rights, right-of-use assets and tangible assets, inventories written down, net foreign exchange loss, allowance for inventory obsolescence and employee-related costs.

[4] Payments to providers of capital include interest payments made to providers of financing and dividends to shareholders (if any).

[5] High consequence work-related injuries refer to injuries from which the employee would be unable to recover fully to pre-injury health status within six (6) months.

[6] An unlawful discrimination incident refers to an instance of non-compliance identified by a company through established procedures and resulting in a penalty to a company. Established procedures to identify instances of non-compliance include the Group's whistle-blowing framework.

[7] A corruption incident refers to a serious offence under Section 207(9A) read with Section 207(9D) of the Companies Act 1967 of Singapore, which is defined as one that involves fraud or dishonesty and is being or has been committed against a company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S$100,000.

SUSTAINABILITY REPORT

Reporting Framework

This Report is prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Limited (the "**SGX-ST**"). This Report is also prepared with reference to the Global Reporting Initiative ("**GRI**") Standards as it provides an extensive framework that is widely accepted as a gobal standard for sustainability reporting. The GRI Content Index can be found on pages 48 to 50.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015 (the "**UN Stainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SGDs, which form a call for action by all countries (both developed and developing) in a global partnership. We have endeavoured to incorporate the SDGs, where applicable, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**").

This Report is applicable for our financial year ("**FY**") from 1 January 2023 to 31 December 2023 ("**FY2023**" or the "**Reporting Period**").

Reporting Scope

The scope of this Report covers the following operating subsidiaries[8] within the Group's precision engineering business in Singapore, Indonesia and China and the electric vehicles ("**EV**") business in Thailand, which collectively contributed to 99%[9] of the Group's revenue in FY2023 (FY2022: 100%):

S/N	Entity	Principal activity
1	GSS Energy Limited	Investment holding (holding company of the Group)
2	Giken Sakata (S) Limited ("**GSS**")	Manufacture and sale of microshafts and other precision parts and assembly of mechanisms used in computers and a range of electronic products
3	Changzhou Giken Precision Co., Ltd. ("**CGP**")	Manufacture and sale of microshafts and other precision parts
4	Giken Precision Engineering (S) Pte. Ltd. ("**GPE**")	Manufacture of basic precious and non-ferrous metal products
5	P.T. Giken Precision Indonesia ("**GPI**")	Assembly of mechanisms and manufacture of precision parts used in computers and a range of electronic products
6	Giken Mobility Pte. Ltd. ("**GM**")[10]	Investment holding, manufacture and assembly of motorcycles and scooters

8 The oil and gas services business was excluded from the reporting scope. The Group had previously announced that PT Sarana GSS Trembul received a termination notice from PT Pertamina for the Co-operative Agreement concerning the Trembul Operating Area, effective from 26 September 2022. An appeal was submitted to PT Pertamina and as of the date of this Annual Report, the appeal is still in progress.

9 The remaining 1% is contributed by Changzhou Giken Technology Co., Ltd. ("**CGT**"), and as revenue is not material and CGT has minimal staff, its contribution has not been included in the reporting scope for FY2023.

10 Given the expansion into the EV business, our reporting scope in FY2023 now covers GM. Shareholders are to note that comparative FY2022 figures in this Report have been adjusted accordingly as required.

SUSTAINABILITY REPORT

Our Business

Our key revenue stream is from our precision engineering business. In recent years, we diversified the Group's business to include the EV business. An overview of our precision engineering business and EV business is as follows:

SUPPLIERS

Precision engineering business
We procure from:

- Suppliers of materials, such as spare parts, rubber, steel, carbon, wood and plastic which are used in the manufacturing of microshafts and other precision parts; and
- Suppliers and distributors of electronic components.

EV business
We procure from suppliers of materials, such as tyres, motors, batteries and spare parts for manufacturing and assembly of electric motorcycles and scooters.

OPERATIONS

Precision engineering business
We are involved in:

- Providing advanced production technology to multi-national manufacturers in the field of home and car audio entertainment, communication, computer and office automation industries and medical industries; and
- Manufacturing of high precision shafts.

EV business
We are involved in the manufacturing and assembly of electric motorcycles and scooters.

CUSTOMERS

Precision engineering business
We serve customers from various industries such as automotive, consumer electronics, healthcare & medical, gaming & toys and industrial equipment industries.

EV business
We sell to distributors and corporate customers.

Availability

A PDF version of this Report is available on SGX website and the Group's website at www.gssenergy.com.sg.

Assurance

We relied on internal data monitoring and verification to ensure accuracy for this Report. Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle, and we will work towards obtaining external assurance for our future sustainability reports.

Feedback

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. All queries can be addressed to feedback@gssenergy.com.sg. The Board and management of the Company will ensure that all queries in relation to the Group's sustainability reporting will be addressed as soon as practicable.

Stakeholder Engagement

We continuously engage our stakeholders through multiple channels in order to understand their diverse interests and needs. This is crucial as it helps us in addressing their respective concerns and that will in turn help us improve our products' standards, services, business operations and strategically align our resources for long-term growth and sustainability. Our efforts on sustainability are focused on creating sustainable value for our key stakeholders.

We identified key stakeholder groups through an internal stakeholder mapping exercise and prioritised our engagements with such key stakeholder groups. Key stakeholders are determined for each key Sustainability Factor identified, based on the extent of which their interests are or may be affected by our operations. These key stakeholders include, but are not limited to, local communities (the "**Communities**"), customers, employees, governments and regulators (the "**Regulators**"), investors or shareholders (the "**Shareholders**") and suppliers.

We actively engage our key stakeholders through the following channels:

Stakeholder group	Expectations of the stakeholder	Engagement platform	Frequency of engagement	Engagement efforts
Communities	• Community services	• Community campaigns	• Ongoing	• Contribute to philanthropic cause and local charities, particularly for old folks and education
Customers	• Product and service quality • Sustainability efforts • Safety standards • Confidentiality of customers' proprietary information such as intellectual property	• Emails • Regular meetings and discussions • Informal feedback • Site visits	• As and when required	• Maintain a communication channel and provide timely updates on the evolving business circumstances • Deliver a quick response whenever any issues arise • Deliver products on a timely basis and according to the customer's specifications • Maintain a robust quality management system • Conduct training for employees on quality control to meet or exceed customers' expectations

SUSTAINABILITY REPORT

Stakeholder group	Expectations of the stakeholder	Engagement platform	Frequency of engagement	Engagement efforts
Employees	• Remuneration and benefits • Training and development • Employee engagement • Fair treatment • Job security • Employee health and safety	• Performance appraisals	• Annually	• Maintain resource support, time-off, compensation, mental health support and financial aid • Allow flexible work arrangement • Offer re-employment opportunities for senior employees • Organise activities to foster team building and social interaction among employees • Perform yearly appraisals to receive feedback from employees on the job and peers • Enable open communication within the Group
		• Training courses • Informal feedback • Social and recreational activities • Department and company meetings	• As and when required	
Regulators	• Compliance with law and regulations • Timely reporting • Anti-corruption and bribery	• Site visits and checks • Meetings and discussions • Consultations and briefings organised by key regulatory bodies	• As and when required	• Comply with the SGX-ST listing rules and regulations • Abide by laws and regulations of the respective countries where the Group carries out its business activities • Engage regulators periodically
Shareholders	• Financial profitability • Sound management • Economic value distribution • Market valuation • Dividend payment • Transparency • Timely reporting • Sustainability efforts • Corporate governance	• Annual general meetings • Annual Report	• Annually	• Communicate transparently and report on financial and non-financial information regularly • Maintain effective channels for shareholder communication and receiving feedback
		• Results announcements	• Half-yearly	
		• Corporate announcements • Media release • Meetings with analysts and investors	• As and when required	
Suppliers	• Financial stability • Fair business practices	• Emails • Regular meetings and discussions • Informal feedback • Site visits	• As and when required	• Take timely payments based on contractual terms • Maintain communication channel and provide timely updates on evolving business circumstances

SUSTAINABILITY REPORT

Policy, Practice and Performance Reporting

A sustainability policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring our Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. We will continually monitor, review and update our SR Policy and Sustainability Factors as and when necessary, taking into account the feedback received from our engagement with our stakeholders, organisational and external developments.

Sustainability Governance Structure

The Board advises and oversees the development of our sustainability strategy and performance targets. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of the SGX-ST under Catalist Rule 720(6), we confirm that all directors of the Company have attended the prescribed sustainability training courses.

Our sustainability strategy is spearheaded by an executive level sustainability committee (the "**Sustainability Committee**"), which includes senior management executives from various support units[11]. The Sustainability Committee is led by the Chief Financial Officer ("**CFO**") and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

Aside from the Sustainability Committee, the Board is also supported by the Audit Committee on specific sustainability matters under its terms of reference. As we are still refining our sustainability related metric measuring, tracking and target setting mechanism, we will aim to link the key executives' remuneration to sustainability performance within the next few years, when the mechanism is more matured and stable.

[11] The Sustainability Committee is supported by: (i) Senior Finance Manager; (ii) General Manager, GPE; (iii) General Manager, Supply Chain Management; (iv) Assistant General Manager, CGP; and (v) Chief Operating Officer, Edison Motors Co., Ltd.

SUSTAINABILITY REPORT

Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

BOARD

- Determines key Sustainability Factors of the Group
- Oversees the identification and evaluation of climate-related risks and opportunities
- Reviews and approves sustainability strategy and targets, policies, and sustainability report (including materiality assessment process and outcome)
- Ensures the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework
- Oversees and monitors management and implementation of sustainability strategies, policies and performance against targets

AUDIT COMMITTEE

- Reviews the effectiveness and adequacy of the Group's internal controls systems and processes
- Oversees the conduct of assurance activities pertaining to the Company's sustainability reporting processes

SUSTAINABILITY COMMITTEE (EXECUTIVE LEVEL)

- Develops sustainability strategy and policies and recommends revisions to the Board
- Ensures the implementation of sustainability strategy is aligned across business segments and geographical locations
- Evaluates overall sustainability risks and opportunities, including a focus on climate-related issues
- Undertakes materiality assessment and reviews sustainability reports prior to approval by the Board
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy
- Monitors sustainability activities and performance against targets

BUSINESS UNITS

CORPORATE FUNCTIONS

Sustainability Reporting Processes

Under our SR policy, our sustainability process begins with understanding the Group's context. This is followed by the ongoing identification and assessment of the Group's impact on the economy, environment, people and their human rights. The most significant impacts are prioritised for reporting, and the result of this process is the identification and disclosure of a list of Sustainability Factors in this Report.

A brief description of the Group's sustainability reporting processes is shown in the chart below:

Context

Understand the context of the Group by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests

Identification

Identify actual and potential impacts on the economy, environment, people and their human rights

Assessment

Assess the risk and likelihood of the occurrence of actual and potential negative and positive impacts, and the significance of such impacts on the economy, environment, and people and their human rights. This process will in turn indicate the Group's contribution (negative or positive) to sustainable development

Prioritisation

Prioritise the Group's most significant impacts to determine the most significant and key Sustainability Factors for reporting

Review

In each reporting period, review the Sustainability Factors from the previous reporting period to account for changes in impacts. Feedback received from the Group's engagement with stakeholders, and organisational and external developments is taken into account in the review

SUSTAINABILITY REPORT

Performance Tracking and Reporting

We track the performance of our Sustainability Factors by identifying and measuring the relevant data points (i.e. the information source of the relevant factor). In addition, we set performance targets that are aligned with our strategy to ensure that we maintain the right course in our path towards sustainability. We are also consistently seeking to enhance our performance-monitoring processes and improve our data capturing systems. A sustainability report is published annually in accordance with our SR Policy.

Our Sustainability Factors

In FY2023, a stakeholder engagement session[12] and a materiality assessment were conducted by the Sustainability Committee to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated. In this Report, we reported our progress in managing these factors and set related targets to improve our sustainability performance.

The key Sustainability Factors identified to be relevant to the Group are presented in the table below:

S/N	Sustainability Factor	Key stakeholder	SDG
Economic			
1	Total customer satisfaction	• Customers	Decent work and economic growth
2	Sustainable business performance	• Employees • Regulators • Shareholders • Suppliers	Decent work and economic growth
Environmental			
3	Water conservation	• Communities • Shareholders	Clean water and sanitation
4	Energy conservation and climate change	• Communities • Shareholders	Affordable and clean energy
5	Waste management	• Communities • Shareholders	Responsible consumption and production
Social			
6	Workplace health and safety	• Employees • Regulators	Good health and well-being
7	Employee development and retention	• Employees	Decent work and economic growth
8	Non-discrimination and diversity in workplace	• Employees	Reduced inequalities
9	Local community engagement	• Communities	Sustainable cities and communities
Governance			
10	Robust corporate governance framework	• Regulators • Shareholders	Peace, justice and strong institutions

[12] The Company distributed an online survey to both its internal and external stakeholders of customers, employees and suppliers to gather perspectives on the most important sustainability factors for the business to prioritise.

SUSTAINABILITY REPORT

We review the key Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. For FY2023, pursuant to the review, there are no changes to the key Sustainability Factors identified from FY2022.

We recognise that the above-mentioned factors are critical to our sustainability journey and are thus committed to address them to our best efforts. Failure to maintain our commitments made in relation to these factors may expose the Group to risks such as loss of business, reputation, adverse financial impact, inability to attract talents and/ or regulatory actions. On the other hand, they also open us up to opportunities such as diversification into new sustainable businesses, improvement in our supply chain, customer satisfaction and building a pool of sustainability-conscious employees.

The details of each key Sustainability Factor are presented as follows:

Economic

Total Customer Satisfaction

Our commitment

We are committed to quality control and service excellence.

Our approach

We maintain a quality management system to ensure total customer satisfaction through quality products, customer service and continual improvement in our processes. We pride ourselves in consistently meeting and exceeding customer expectations. Our employees place their topmost priority on quality control and service excellence and internal training is provided to our employees to familiarise themselves with the relevant quality standards. The quality management system also enables us to meet the quality standards for our businesses, comply with applicable regulations and internationally recognised market standards, and establish, review and measure our product rejection rate.

In a global marketplace, supply chains are becoming increasingly complex. Accordingly, there is growing expectations for our customers to not only ensure that their businesses are responsible, but also to ensure that their suppliers recognise and fulfill their social responsibility. Our business operations are assessed by our customers based on their product quality and traceability standards or international standards, such as the amfori Business Social Compliance Initiative standards which serve as a reference for monitoring and assessing workplace practices across the global supply chain. We have a proven track record for our product quality and service standards and have received awards such as Quality & Delivery Champion Award issued by Portescap India in 2023 and SQOPE Procurement Award issued by Philips in 2022 which recognised the excellent quality of our products. We strive to improve our product quality and standards in order to better meet the needs of our customers.

SUSTAINABILITY REPORT

Our performance

Internationally recognised market standards

Our operations are certified under various recognised quality standards, details of which are as follows:

Quality standard	Entity	Description of certification
ISO 9001:2015	• CGP • GPE • GPI	The certification specifies the requirements for a quality management system that can demonstrate the ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.
ISO 13485:2016	• GSS • GPI	The certification specifies requirements for a quality management system that can demonstrate the ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements.
IATF 16949:2016	• CGP • GPE • GPI	The International Standard for Automotive Quality Management Systems emphasises the development of a process-oriented quality management system that provides for continual improvement, defect prevention and reduction of variation and waste in the supply chain. The goal is to meet customer requirements from the automotive sector efficiently and effectively.
ECE-R136	• GM	The certification specifies safety requirements for electric power train and rechargeable energy storage system of vehicles.

Quality and product reject rate
During the Reporting Period, we recorded a product reject rate of 0.1% (FY2022: 0.1%).

Sustainable Business Performance

Our commitment

We are committed to providing value to various stakeholders through relevant and meaningful ways.

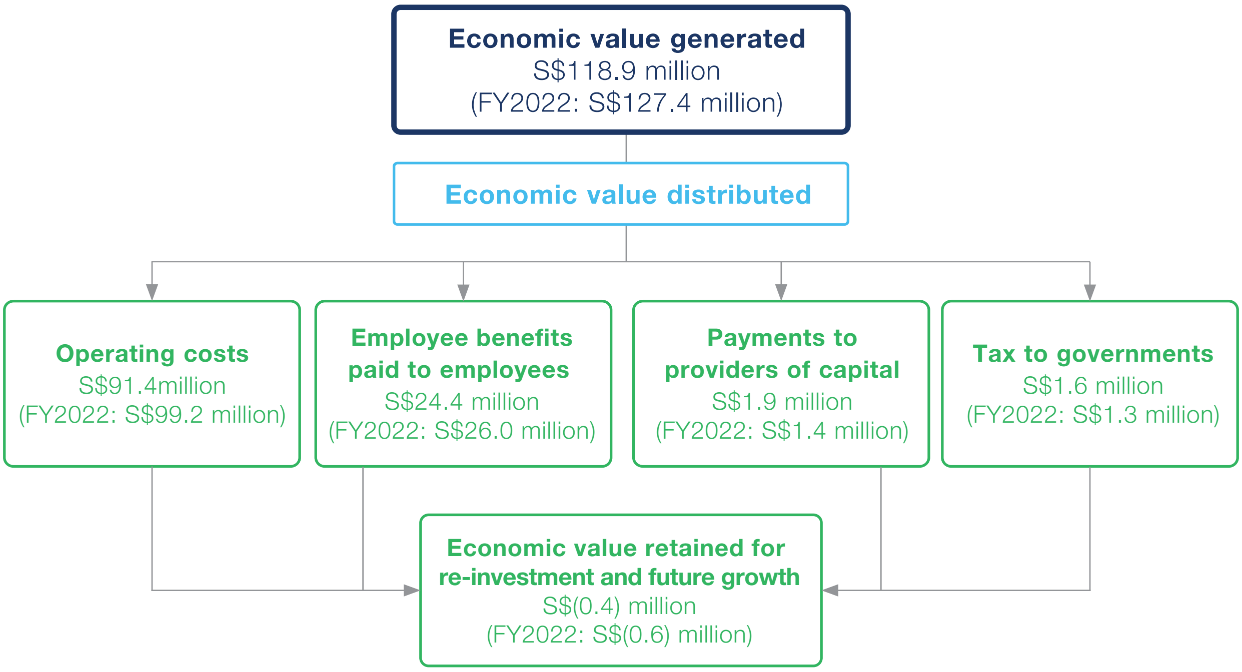
Our approach

We strive to generate and distribute economic value by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, whilst mitigating relevant business risks identified.

SUSTAINABILITY REPORT

Our performance

In line with this commitment, the Group's economic value generated in FY2023 is distributed as follows to enable a sustainable business performance for the Group's future:



Further details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Environmental

At GSS Energy, we aim to minimise the impact our businesses have on the environment and its preservation. We are committed to environmental protection by reducing carbon emissions, preventing pollution and minimising wastage. Our key operating entities of CGP, GPE and GPI are certified under ISO 14001:2015, one of the prevailing market standards for environmental management. We put in place environmental policies for CGP, GPE and GPI and review these environmental policies regularly to manage our environmental responsibility in a systematic manner. In order to ensure that our environmental policies bear fruit and support our environmental targets, we ensure that our employees are aware of the relevant environmental policy by providing relevant trainings for them to embed the requirements of the environmental policy in our corporate culture. We also actively implement measures to ensure that our subsidiaries meet relevant environmental laws and regulations in our operations in Singapore, China and Indonesia.

SUSTAINABILITY REPORT

Water Conservation

Our commitment

We are committed to water-use efficiency to address global water scarcity.

Our approach

We rely on water resources to run our operations primarily in our production activities and office environment. We mainly source our water supply from municipal water suppliers. Our water conservation initiatives include performing regular tracking and review on our water consumption and periodic inspections of our faucets and pipes for possible leaks.

Our performance

Key statistics on our water consumption during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Water consumption	CuM	45,955	58,974

The decrease in water consumption is mainly attributable to a decrease in production orders which led to temporary production shutdowns in our factory based in Indonesia during certain periods of FY2023.

Energy Conservation and Climate Change

Our commitment

Climate change and environmental risks are of growing concern to us. Our manufacturing activities and/ or logistics arrangements may be disrupted by climatic and environmental catastrophes, resulting in economic losses. To mitigate the negative impacts of climate change, we are committed to the responsible usage of energy resources and to the reduction of GHG emissions through enhancing our energy usage efficiency.

Our approach

In our operations, we rely mainly on the following energy sources:

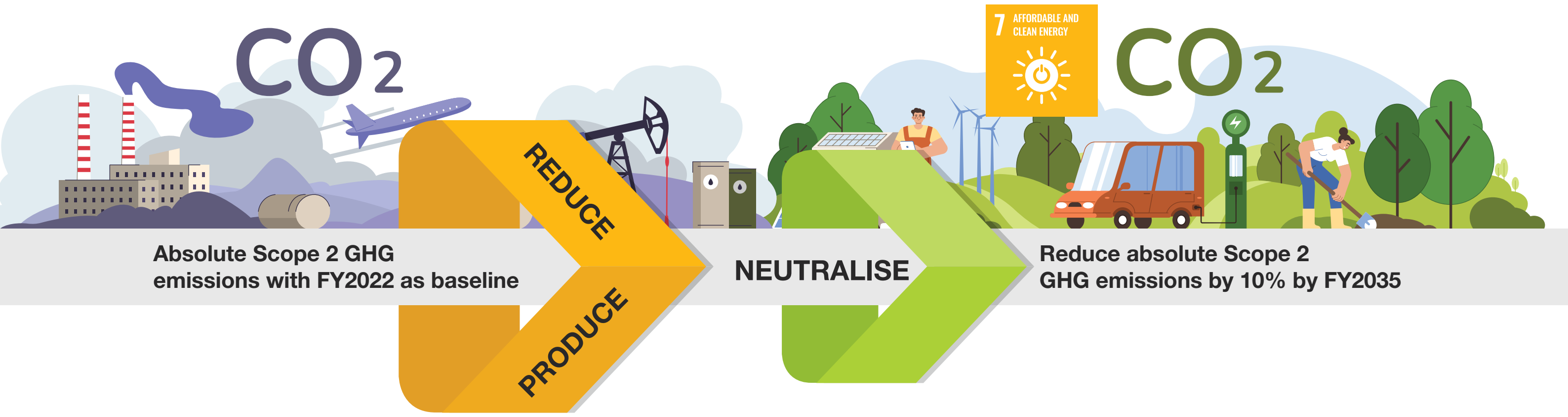
- Diesel for the fleet of motor vehicles maintained in our Indonesia and China subsidiaries for delivery purposes;
- Petrol for backup generators in our Indonesia subsidiary and motor vehicles in our China subsidiary; and
- Electricity to operate machinery and equipment used in our production activities and equipment for office uses.

SUSTAINABILITY REPORT

We track and monitor our Scope 1[13], Scope 2[14] and certain categories of Scope 3[15] GHG emissions closely and are developing mechanisms to track other categories of our Scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

Climate change transition plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 2 GHG emissions by 10% by FY2035, with FY2022 as our baseline ("**Decarbonisation Target**"). As we are still analysing our Scope 1 GHG emissions trend, decarbonisation target setting for Scope 1 GHG emissions is deferred till a time when we better understand the trend and how we can better control such emissions. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



Details of our strategic levers are as follows:

Lever	Reduce	Produce	Neutralise
Description	• Reduce absolute emissions first within our operations and followed by our supply chain • Replace existing energy source with low or zero-carbon sources	On-site generation of green or renewable energy	Neutralise unavoidable residual emissions
Focus area	• Energy efficiency » Machinery and equipment » Lighting • Behavioural changes • Clean energy	Solar energy	• Renewable energy certificates ("**REC**") • Carbon credits

[13] Scope 1 GHG emissions occur from sources that are owned or controlled by a company.
[14] Scope 2 GHG emissions are indirect emissions that arise from the generation of purchased electricity consumed by a company. Scope 2 emissions physically occur at the facility where electricity is generated.
[15] Scope 3 GHG emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

SUSTAINABILITY REPORT

In line with our Decarbonisation Target, we track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key initiative	Description
Reduce	Energy efficiency – Machinery and equipment	We maintain a systematic maintenance programme for machinery and equipment to improve energy efficiency.
	Energy efficiency – Lighting	We optimise electricity efficiency using high-efficiency lighting.
	Behavioural changes	We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.
Produce	Solar energy	The growth of renewable energy production continues to be primarily driven by political determination to create a low carbon economy and increase use of clean energy. We have knowledge and experience that is valuable in shaping and driving this agenda. In June 2022, the Group's China subsidiary, CGP, completed the commissioning of the installation of solar panels on the rooftop of its factory. Such measures are expected to result in lower GHG emissions for CGP in the future.
Neutralise	• REC • Carbon credits	The Group plans to explore the use of REC and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

<u>Aligning with the global transition towards environmentally friendlier modes of transportation</u>

In recent years, we expanded into the EV business whereby we manufacture EV under GM, a subsidiary.

On 30 November 2023, we launched our inaugural electric motorcycle model, the UNO-X, at the 40th Thailand International Motor Expo 2023. UNO-X was developed through a partnership with Iso, an established Italian brand.

Our UNO-X electric motorcycle is estimated to consume only about 17% of energy which an internal combustion engine ("**ICE**") motorbike[16] consumes. We believe our EV business has reshaped the industry dynamics for GSS Energy, aligning with the global transition towards environmentally friendlier modes of transportation and positioning the Group at the forefront of sustainable solutions.

[16] Based on our range testing performed according to World Motorcycle Test Cycle ("**WMTC**"). WMTC is a worldwide harmonised test cycle developed for fuel consumption and emissions of motorcycles.

SUSTAINABILITY REPORT

Our performance

Key statistics on our energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
Diesel consumption	litres	57,710	38,504
Petrol consumption[17]	litres	58,700	53,901
Purchased electricity consumption	kWh	17,169,701	18,962,657
Electricity generated by our solar panels	kWh	705,813	333,917
GHG emissions			
Direct GHG emissions (Scope 1[18])	tonnes CO_2e	291	224
Indirect GHG emissions (Scope 2[19])	tonnes CO_2e	13,065	14,308
Total GHG emissions	tonnes CO_2e	13,356	14,532

The increase in fuel consumption is mainly attributable to the addition of motor vehicles for our Indonesia and China subsidiaries. The decrease in purchased electricity consumption is mainly attributable to a decrease in production orders which led to temporary production shutdowns in our factory based in Indonesia during certain periods of FY2023. Electricity generated by solar panels increased as our China subsidiary completed the commissioning of the installation of solar panels in June 2022. As a result, Scope 2 GHG emissions decreased in FY2023.

During the Reporting Period, we started tracking selected Scope 3 emissions of our operations in Singapore as follows:

Category	Coverage	Unit of measurement	FY2023[20]
Category 1: Purchased goods and services	Potable water	tonnes CO_2e	8
Category 6: Business travel	Air travel	tonnes CO_2e	11
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO_2e	57

[17] Figure excludes data for our EV business as we are in the midst of developing a mechanism to track our fuel consumption.

[18] GHG emissions from diesel and petrol consumption controlled by the Group (Scope 1) are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

[19] GHG emissions from electricity purchased by the Group (Scope 2) are calculated using the market-based method which accounts for the reduction in emissions from the consumption of electricity from renewable sources. Using the location-based method based on the emissions factors published by the relevant local authorities, our Scope 2 emissions for FY2023 are 13,468 tonnes CO_2e (FY2022: 14,499 tonnes CO_2e).

[20] No comparative data is available as we started tracking Scope 3 emissions in FY2023. Scope 3 GHG emissions are calculated using a mix of emission factors from "Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources", and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and Carbon and Emissions Recording Tool.

SUSTAINABILITY REPORT

Waste Management

Our commitment

Responsible waste management is crucial to minimise the adverse impacts of our activities on human health and the environment. We are committed to conducting our businesses in a manner that respects and protects the environment by preventing pollution and reducing wastage.

Our approach

We implemented various environmental initiatives in our operations which include the following:

<u>Wastewater</u>

Wastewater is mainly generated by CGP, our China subsidiary, during the grinding and barreling process when cleaning small metal parts from grease and rust.

Our China subsidiary's upgraded and automated wastewater treatment plant eliminates the need for manual processes in the oil separation and precipitation treatments, including the process to remove pollutants from wastewater and the filtration process to reduce the moisture content of sludge. In the treatment of wastewater, lubricants are first separated from the wastewater through an oil separation tank, and the wastewater then flows to a primary sedimentation tank for sludge to be filtered out. The wastewater is further channeled to a contact oxidation tank and a secondary sedimentation tank to remove further pollutants such as chemical oxygen demand, total suspended solids and oil. The accumulated sludge from the sedimentation tanks is put through a filter press to reduce the moisture content and thereby reduce the volume of the sludge. This obliviates the need to engage licensed waste collectors to further treat the waste sludge. The automated wastewater treatment plant reduces operational and disposal costs and helps minimise our impact on the environment.

Water generated by our operations in Indonesia is collected through the drains and the water sample is tested regularly by an independent testing organisation against wastewater quality standards based on Indonesia's environmental regulations to minimise the risk of pollution to the waterways.

<u>Hazardous and non-hazardous waste</u>

Key waste generated in our operations are as follows:

- Hazardous waste, which mainly includes the following:
  - Sludge and activated carbon generated from our China subsidiary's wastewater treatment plant;
  - Oil and coolant generated from our Singapore and China subsidiaries' production processes; and
  - Defective printed circuit boards ("**PCB**") from PCB assembly services rendered by our Indonesia subsidiary and chemicals used during production processes of our Indonesia subsidiary.
- Non-hazardous waste, which mainly includes the following:
  - Leftover microshafts after the cutting process, defective products, packaging waste generated by our Singapore and China subsidiaries; and
  - Unused plastic generated from our Indonesia subsidiary's plastic injection moulding process and food waste generated in our Indonesia subsidiary's staff canteen.

Hazardous and non-hazardous waste are collected and segregated at designated areas for handling of waste by licensed waste collectors.

Material use

Our plastic injection moulding operations in Indonesia and China work closely with our customers in selecting engineering pellets/resins to produce the parts. Some of our customers allow or specify the use of recycled engineering resins. The recycled materials could be purchased or generated internally. Tests are conducted and approved by customers before recycled pellets/resins are used in production. Plastic scraps and runners that are generated can be grinded for use in manufacturing or sold to recycling companies for re-palletising which can be mixed with virgin materials to manufacture products. We reduce electronic and manufacturing waste by standardising products and processes, using recycled materials in our products if permitted by customers, ensuring that the raw materials used in production adhere to customers' specifications and do not contain prohibited or hazardous substances and comply with the Restriction of Hazardous Substances Directive. Packaging materials are reused for the next delivery where practicable.

Our performance

Wastewater

In FY2023, 100% (FY2022: 100%) of wastewater generated, which amounted to 11,360 tonnes (FY2022: 12,000 tonnes), was treated to remove pollutants before discharge. The decrease in wastewater generated is mainly due to a reduction in the business activities of our China subsidiary.

Hazardous and non-hazardous waste

Key statistics on the amount of waste generated during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Amount of hazardous waste generated	tonnes	34	35
Amount of non-hazardous waste generated	tonnes	290	193

The increase in non-hazardous waste is mainly attributable to a new project in our Indonesia subsidiary. In FY2023, 100% (FY2022: 100%) of our hazardous waste are treated by licensed waste collectors and 100% (FY2022: 100%) of our non-hazardous waste are disposed of by licensed waste collectors to prevent pollution. In FY2023, there were zero (FY2022: zero) cases of improper disposal of waste across our business operations.

SUSTAINABILITY REPORT

Social

Our human resource philosophy is to put employees at the heart of the organisation given that our employees drive the success of our business. We strive to develop our employees to their fullest potential so that they contribute to the continual growth of the Group.

Our approach to developing our employees and retaining talent is characterised by the following three core principles:

- We provide our employees a safe and conducive working environment for them to excel in their fields;
- We invest in the training and development of our employees to enhance their competencies; and
- We adopt fair labour practices and have zero tolerance towards discrimination.

SAFE ENVIRONMENT

Conducive workplace tofocus on business

DEVELOPMENT OF EMPLOYEES

Investment in training to enhance competencies

FAIR LABOUR PRACTICES

Zero tolerance towards discrimination

Workplace Health and Safety

Our commitment

Safety risks are inherent in workplaces and higher in manufacturing and supply chain activities whereby heavy machinery is operated. We place workplace safety and health at the forefront of our business process.

Our approach

We adopt a zero-tolerance approach where workplace safety is concerned. In line with this zero-tolerance approach, we have workplace safety and health policy and procedures in place to protect our employees and for compliance with relevant legal, regulatory requirements and recognised industry standards. Real-life incidents are used as discussion materials for our employees to understand existing and predicted risks within their work activities.

We established a safety committee at all manufacturing plants which hold meetings to review root cause of injury cases, discuss any violations and propose improvements on an ongoing basis where applicable. The meetings are attended by representatives from production, maintenance, warehouse, human resource and quality assurance departments.

Our employees receive training on safety procedures in metal work, hot work, working at heights, operating plant and equipment and fire safety hazard processes. Regular fire drills and evacuation exercises are conducted in accordance with ISO 14001:2015 standards to familiarise our employees with the emergency procedures in the event of a risk incident. We track and report industrial accidents and injuries in accordance with the applicable regulatory guidelines and file work-related claims accordingly, with all our employees strictly adhering to reporting procedures concerning all work-related injuries.

We also conduct air sampling tests, a necessary procedure that plays an important role in creating a safe working environment for our employees. Our employees can face serious health consequences should they inhale atmospheric contaminants, such as toxic gases which are emitted during certain production processes.

Given that liquid ammonia is used during heat treatment work and lubricants and chemicals are used in our production process for machine maintenance, the Group's operations are exposed to the risk of ammonia leakage and oil/ chemical spill which may result in burns, breathing difficulties, skin irritation, diseases and blindness. We established procedures on handling ammonia and chemicals and emergency response or corrective actions for ammonia leakage and oil spill.

Annually, ammonia leakage and oil spill drill refresher training are carried out for our employees. Training is one of the critical aspects of a sound spill response plan. The aim of the drill is to allow the team to recap on the procedures for the containment of spillage and respond swiftly and calmly should any spillage occur. The drill is conducted in the following sequence:

1

Assess the risk: Any employee who witnesses the spillage should inform the area supervisor who will alert the emergency response team ("**ERT**"), while the rest of the employees should cordon off the spill area.

2

Spillage response: ERT follows the protocol on identifying and assessing the spillage, donning of proper personal protective equipment, and taking appropriate actions to stop, clean and decontaminate spill area and dispose of the waste.

3

Incident reporting/ investigation: ERT will investigate the cause of spillage and report to the factory manager. The factory manager reviews the incident report, investigate procedures and take necessary corrective actions.

Our performance

There were no workplace fatalities, high-consequence work-related injuries and work-related ill health cases in FY2023 (FY2022: zero). In FY2023, there were 17 (FY2022: 19) minor recordable work-related injuries which mainly relate to machinery incidents. We strengthened the relevant procedures to reinforce workplace safety measures. We endeavour to achieve zero rate of work-related injuries or deaths.

In FY2023, there were zero (FY2022: zero) incidents of ammonia leakage and oil spill across the Group's operations.

SUSTAINABILITY REPORT

Employee Development and Retention

Our commitment

We are committed to nurturing our employees to raise our employees' learning and development capacity, yielding a capable and more agile workforce.

Our approach

To support this commitment, we provide on-the-job training whenever possible. Aside from on-the-job training and relevant skill upgrades, we also provide opportunities for our employees to gain knowledge and skills beyond their job functions through external courses on areas such as supervisory and problem-solving skills and language enhancement. All training processes are closely monitored and tracked by the line managers and the human resource department to ensure that our employees' learning and development needs are adequately met.

In order to provide competitive remuneration based on merit to all employees, our employees receive regular feedback on their performance and career development.

We also provide our employees with job rotation opportunities to motivate them in broadening their skill sets, diversifying their current job roles, and rejuvenating their interest in learning through tackling different challenges. Such arrangements also form part of our succession planning.

Staff welfare is also a key component of our management ethos. We regularly review employees' compensation, medical benefits and other fringe benefits based on industry benchmarking and consider our employees' job scope, responsibilities and performance to ensure that we remain competitive in attracting and retaining talent.

We are committed to creating a conducive environment for their mental and physical well-being. Our employees are entitled to health care benefits under Group's hospitalisation insurance plan, including medical care and dental care. Personal Accident Insurance Policies and Workmen's Compensation Policies with disability coverage are also provided for our employees. We provide our employees with pro-family benefits such as maternity leave, paternity leave and childcare leave (collectively as "**Parental Leave**"). For our Indonesia subsidiary, we provide mental health support which includes an in-house clinic and praying room. A cooperative has been set up by our employees to provide an option for employees to apply for a loan for purposes such as school funds, purchase of a home and repair of home due to floods or fires. We promote staff wellness and a healthy lifestyle through organising ongoing recreational and team building activities such as soccer sessions and celebration of special occasions.

Our performance

Training hours

Key statistics on training hours provided for our employees are as follows:

Performance indicator	FY2023	FY2022
Overall		
Total training hours	9,444	5,826
Average training hours per employee	5.3	2.8
Gender (Male)		
Total training hours	4,724	2,571
Average training hours per employee	6.5	3.3
Gender (Female)		
Total training hours	4,720	3,255
Average training hours per employee	4.5	2.6
Management		
Total training hours	278	552
Average training hours per employee	2.8	5.4
Non-management		
Total training hours	9,166	5,274
Average training hours per employee	5.5	2.7

The increase in training hours is mainly attributable to an increase in training provided by our China subsidiary to its employees, through collaboration with Changzhou Technician College in FY2023. The training focused on technical areas such as machine operations.

New hires

Key statistics on new employee hires are as follows:

Disclosure	FY2023	FY2022
Overall	**47%**	**44%**
Gender		
Male	26%	31%
Female	74%	69%
Age		
Below 30	93%	98%
30 to 50	7%	2%
Above 50	-	-

SUSTAINABILITY REPORT

Employee turnover

Key statistics on employee turnover are as follows:

Disclosure	FY2023	FY2022[21]
Overall	**60%**	**46%**
Gender		
Male	25%	23%
Female	75%	77%
Age		
Below 30	88%	87%
30 to 50	11%	12%
Above 50	1%	1%

Due to the nature of the business of our Indonesia subsidiary, which is driven by project demand, we experienced high employee turnover as a result of cessation of employment contracts. We will continuously work towards improving our turnover rate.

Parental Leave

Key statistics on Parental Leave taken by eligible employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Number of employees entitled to Parental Leave	21	25	25	16
Number of employees who took Parental Leave	21	25	25	16
Number of employees who returned to work after Parental Leave ended	21	25	25	16
Return to work rate of employees who took Parental Leave	100%	100%	100%	100%
Retention rate of employees 12 months after they returned to work from Parental Leave[22]	68%	94%	100%	81%

The lower retention rate of employees 12 months after they returned to work from Parental Leave is mainly due to the cessation of employment contracts of our employees in our Indonesia subsidiary.

[21] Figures have been restated and the differences are mainly due to the inclusion of workers with expired contract term at our Indonesia subsidiary. Previously reported turnover rates are (i) overall is 4%; (ii) male is 40%; (iii) female is 60%; (iv) below 30 is 67%; and (v) 30 to 50 is 32%.

[22] Retention rate is calculated based on employees who took Parental Leave in the preceding reporting period.

Non-Discrimination and Diversity in Workplace

Our commitment

We are committed to upholding and protecting the human rights of all employees through a culture of trust, respect and inclusion in the Company.

Our approach

As part of our human rights policy, we treat all employees with respect and dignity and give fair treatment, irrespective of gender, nationality, race or religion. In line with our commitment to protect human rights, any form of discrimination based on distinguishing characteristics is not tolerated. We do not employ child labour and strictly abide by the minimum legal age requirement set by relevant authorities. We strive to maintain harmonious and mutually beneficial relationships with labour unions to protect the rights of our employees.

The Group pledged to uphold the Fair Employment Practices governed by the Tripartite Alliance for Fair Employment Practices ("**TAFEP**"), formed by the Ministry of Manpower, Singapore National Employers Federation and National Trade Union Congress. Pursuant to the pledge, we are committed to a fair and inclusive workplace for all, based solely on merit and ability and governed by progressive human resource practices. We align the remuneration and benefits for our employees based on our employees' skills, knowledge, experience, responsibilities and performance to ensure that we compensate our employees fairly. Employees are provided with equal opportunities for progression within the organisation, training and development and other enrichment opportunities.

Our performance

As at the end of FY2023, the Group has a total of 1,780 (FY2022: 2,050[23]) permanent and temporary employees in Singapore, Indonesia and China. The employees of our Indonesia subsidiary contributed to the majority of our workforce and they are mainly under temporary contract as the business of our Indonesia subsidiary are driven by project demand.

The breakdown of our workforce by employment contract and region as at the end of FY2023 is as follows:

	Singapore	Indonesia	China	Thailand	Total
Overall	95	1,541	119	25	1,780
Permanent	95	243	119	25	482
Temporary	-	1,298	-	-	1,298

During the Reporting Period, we had zero (FY2022: zero) reported incidents of unlawful discrimination against employees.

[23] Figure has been restated from the previously reported figure of 2,184, and the difference is mainly due to the exclusion of workers with expired contract term at our Indonesia subsidiary.

SUSTAINABILITY REPORT

Gender diversity

Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Overall	**41%**	**59%**	**38%**	**62%**
Management level				
Management	76%	24%	78%	22%
Non-management	39%	61%	36%	64%
Employment contract				
Permanent	60%	40%	59%	41%
Temporary	34%	66%	32%	68%

Age diversity

Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	**68%**	**25%**	**7%**	**72%**	**23%**	**5%**
Management level						
Management	5%	47%	48%	4%	56%	40%
Non-management	72%	23%	5%	76%	21%	3%
Employment contract						
Permanent	12%	60%	28%	11%	67%	22%
Temporary	89%	11%	-	91%	9%	-

Local Community Engagement

Our commitment

We believe that it is our responsibility and privilege to serve and support the communities we operate in.

Our approach

We work with various organisations to empower local communities.

SUSTAINABILITY REPORT

Our performance

All Saints Home (Yishun)

Our employees visited the All Saints Home (Yishun) ("**Home**") regularly, bringing joy and happiness to residents of the Home. In FY2023, we engaged the residents through sing-along sessions and exciting activities such as pasar petang or afternoon markets where they can visit various booths to play games and win prizes. During the pasar petang event organised by the Home, we were one of the volunteers who sponsored food.

Governance

Robust Corporate Governance Framework

Our commitment

A high standard of corporate governance is integral in ensuring the sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value. The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the interests of the Group and its shareholders.

Our approach

Dealing in securities

In the event of dealing in securities, we remind all our directors and officers that they are not supposed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year financial statements and full-year financial statements, or if they are in possession of unpublished price-sensitive information of the Company.

Our directors and employees are discouraged from dealing in the Company's securities based on short-term considerations. Directors are required to report to the Company Secretaries whenever they deal in the Company's shares. The Company Secretaries update the Register of Directors' Shareholdings and make timely announcements on SGXNET.

Code of Business Ethics and Conduct

The Group has a Code of Business Ethics and Conduct ("**Code**") in place which specifies the following:

- Zero-tolerance against corruption, fraud, insider trading, theft or bribery;
- Compliance with the Company's internal policies and internal controls;
- Maintaining the Company's policies around workplace health, safety measures that might endanger the life and safety of fellow employees and external parties;
- Committed to fair respectful working conditions without discrimination;
- General code of conduct in terms of handling of company's property, assets and disclosure of information or trade secrets of the company without permission; and
- All new hires are required to undergo an orientation program which briefs them on Code of Conduct and Business Ethics as well as the available whistle-blowing channels.

In the event of any violation of the Code, strict disciplinary action will be enforced, and may include termination of employment in cases of serious breaches, aside from any other legal action such as claims for damages, or fines, penalties, imprisonment that may ensue as a result of any breach of prevailing laws and regulations.

Anti-corruption

We maintain high ethical and governance standards and will not tolerate corrupt practices of any kind in our business operations. Our stakeholders can raise concerns in confidence about improprieties to the Company. A whistleblowing policy with illustrative scope and communication process is available in our corporate webpage for access by stakeholders.

SUSTAINABILITY REPORT

Risk management

The Board, with the assistance of the Audit Committee, is committed to maintaining a sound system of internal controls and risk management systems to safeguard the interests of the shareholders and the Group's assets. The internal audit team conducts annual internal compliance audits at various business units to ensure proper controls are in place and are adhered to.

We have in place an ERM framework to identify and manage the risks that we are exposed to. We regularly assess and review our businesses and operational environment to identify and manage emerging risks that may impact our sustainability and continue to look out for opportunities associated to the identified risks.

For more information relating to our corporate governance structure and practices, please refer to the Corporate Governance Report section of our Annual Report 2023.

Our performance

We are one of the companies listed on the Catalist Board of Singapore Exchange under the SGX Fast Track Programme of Singapore Exchange Regulation. This programme recognises public listed companies with good corporate governance practices and compliance track records and allows them to enjoy fast-tracked approval for certain corporate actions.

Our efforts in corporate sustainability practices have been recognised through winning the "Singapore Corporate Sustainability Award – Small Cap" at the prestigious SIAS Investor's Choice Award 2023.

During the Reporting Period, there were zero (FY2022: zero) corruption incidents reported.

During the Reporting Period, there were zero incidents of non-compliance by our employees with the Code or any laws and regulations for which fines and/or non-monetary sanctions were incurred (FY2022: zero).

SUSTAINABILITY REPORT

Targets and progress

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend: Progress tracking

- ○○○ New target
- ●●● Target achieved
- ●●○ On track to meet target
- ●○○ Not on track, requires review

S/N	Sustainability Factor	Target[24]	Current year's progress
Economic			
1	Total customer satisfaction	Short-term Maintain or reduce product reject rate	●●●
2	Sustainable business performance	Short-term Maintain or improve our economic value generated	●○○ The Group recorded a decrease in economic value generated mainly attributable to the weak demand from both the consumer and industrial markets and overstocking in the supply chain.
Environmental			
3	Water conservation	Short-term Maintain or reduce water consumption	●●●
4	Energy conservation and climate change	Short-term Reduce absolute Scope 2 GHG emissions by FY2025, with FY2022 as our baseline Medium-term Reduce absolute Scope 2 GHG emissions by 10% by FY2035 with FY2022 as our baseline	●●● Reduction of 9% in absolute Scope 2 GHG emissions ●●○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends
5	Waste management	Ongoing and long-term Maintain zero case of improper disposal of waste across business operations	●●●

[24] Time horizons for target setting are (1) short-term: before FY2025, (2) medium-term: FY2025 – FY2035, (3) long-term: after FY2035, (4) ongoing: continuous time horizon.

SUSTAINABILITY REPORT

S/N	Sustainability Factor	Target[24]	Current year's progress
Social			
6	Workplace health and safety	Ongoing and long-term • Aim to maintain zero fatalities and reduce workplace accidents to zero • Maintain zero ammonia leakage and oil spill across business operations • Conduct fire drills and evacuation exercise at least once per year	●●●
7	Employee development and retention	Short-term • Maintain or increase the average overall training hours per employee • Maintain or reduce employee turnover rate	●●○ • Increase in average training hours per employees • Increase in employee turnover rate mainly due to the cessation of employment contracts of our employees in our Indonesia subsidiary
8	Non-discrimination and diversity in workplace	Ongoing and long-term • Maintain zero incident of unlawful discrimination against employees	●●●
9	Local community engagement	Ongoing and long-term • Participate in community engagement activities to help the communities	●●●
Governance			
10	Robust corporate governance framework	Ongoing and long-term • Maintain zero incidents of corruption and/or fraud across the Company's core operations • Maintain compliance with relevant laws and regulations	●●●

For certain Key Sustainability Factors identified above, we are still in the process of setting the related medium and long-term targets as their historical data trends have yet to stabilise. We will disclose such targets in our future sustainability reports when the data trends have stabilised, taking into consideration applicable market trends.

SUSTAINABILITY REPORT

Supporting the UN Sustainable Development Goals

We incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our key Sustainability Factors relate to these SDGs:

SDG	Our efforts
3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	Workplace health and safety We have workplace safety and health policy, safety operating procedures and safety committees at all of our manufacturing plants in place. We also provide relevant employees with training on safety procedures at least annually and when changes in job assignments expose them to new hazards. Regular fire drills and evacuation exercises are conducted and our employees are trained on fire safety hazard processes at all our business units. We aim to provide a hazard-free workplace for our employees and ensure the well-being of our employees.
6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	Water conservation We implement checks and measures to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all	Energy conservation and climate change We implement measures to reduce our energy consumption to improve our energy efficiency and to reduce our GHG emissions and save costs incurred to support our business operations.
8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Total customer satisfaction We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs. Sustainable business performance We contribute to economic growth through our endeavours to create long-term value for our stakeholders. Employee development and retention We believe in creating decent and fulfilling jobs and a rewarding working environment for our employees which in turn contributes to economic growth through offering our employees on-the-job training and opportunities to attend internal and external trainings, providing our employees with job rotation opportunities to motivate them in broadening their skill sets, diversify their current job roles and rejuvenate their interest to continue learning through tackling different challenges, as well as providing various employee benefits such as medical coverage and fringe benefits.

SUSTAINABILITY REPORT

SDG	Our efforts
10 REDUCED INEQUALITIES Reduce inequality within and among countries	Non-discrimination and diversity in workplace As part of our human rights policy, we treat all employees with respect and dignity and give fair treatment, irrespective of gender, nationality, race or religion.
11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable	Local community engagement We participate in corporate social responsibility events and make donations to give back to the communities we operate in and promote sustainable communities. For instance, in FY2023, some employees of our Singapore subsidiary visited the Home and engaged the residents through sing-along sessions and exciting activities such as pasar petang or afternoon markets where they can visit various booths to play games and win prizes. During the pasar petang event organised by the Home, we were one of the volunteers who sponsored food.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	Waste management We implement measures such as a wastewater treatment plant at our China subsidiary, collection of hazardous waste and non-hazardous waste by licensed waste collectors, reduction of electronic and manufacturing waste to help prevent and reduce waste that is generated from our business operations and manage the associated environmental impacts from the generation and disposal of waste.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Robust corporate governance framework We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interests and maximising long-term shareholder's value and carry our business with integrity by avoiding corruption in any form. All new hires are required to undergo an orientation program which briefs them on Code of Conduct and Business Ethics as well as the available whistle-blowing channels. Detailed information relating to our corporate governance structure and practices are set out in the Corporate Governance Report section of our Annual Report 2023.

Supporting the TCFD

Our climate-related disclosures are produced based on the recommendations of TCFD:

Governance

a. **Describe the board's oversight of climate-related risks and opportunities.**
   The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues in determining the Group's strategic direction and policies.

b. **Describe management's role in assessing and managing climate-related risks and opportunities.**
   Our sustainability strategy is spearheaded by an executive level Sustainability Committee, which includes senior management executives from various support units. The Sustainability Committee is led by the CFO and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

Strategy

a. **Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

b. **Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.**

The climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise include the following:

- **Adverse weather condition** - The physical impacts of climate change such as rising sea levels, changes in precipitation patterns and extreme variability in weather patterns can pose risks to our operations, supply chains and markets, and impact our ability to secure key production inputs and/or meet our customers' needs. Conversely, this also presented an opportunity for the Group to review and assess its value chain to identify new products and services;

- **Shifting consumer preferences for environmentally friendly products** – The transition to a low-carbon future may lead to shifting customer preferences for greener products and/or more efficient technologies and lower emission technologies, which may in turn impact the costs of our inputs used in manufacturing our products and demand for the products sold by our customers (which in turn affects the demand for our products). Through the EV business, the Group is able to capitalise on the opportunity to promote its electronic motorcycles to customers; and

- **Enhanced emissions-reporting obligations** – Given that the Group is principally involved in manufacturing, we are exposed to environmental pollution risks. With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding climate-related information. Failure to comply with the relevant climate reporting requirements may lead to adverse impacts on the Group's reputation and financial performance. On the other hand, enhanced emissions reporting obligations raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to use energy resources responsibly and meet the rising needs and expectations of regulators and our shareholders on the environment.

SUSTAINABILITY REPORT

The Group's assessment on potential implications of the above climate-related risks was undertaken based a range of climate scenarios using the Representative Concentration Pathway ("**RCP**") adopted by the Intergovernmental Panel on Climate Change ("**IPCC**").

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy.
IPCC RCP 8.5/4°C	The "business-as-usual" scenario assumes that emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce emissions.

We selected 1.5°C and > 4 °C warming scenarios for the purpose of our inaugural qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (before FY2025), medium term (FY2025 - FY2035) and long term (after FY2035) with details as follows:

Warming scenario 1: 1.5°C warming (RCP 2.6)

Risk	Potential impact		
	Short-term	Medium-term	Long-term
Key transition risk identified			
Shifting consumer preferences for environmentally friendly products	🟢	🟠	🟠
Enhanced emissions-reporting obligations	🟢	🟠	🟠
Key physical risk identified			
Adverse weather condition	🟢	🟢	🟢

Warming scenario 2: > 4°C warming (RCP 8.5)

Risk	Potential impact		
	Short-term	Medium-term	Long-term
Key transition risk identified			
Shifting consumer preferences for environmentally friendly products	NA[25]	NA[25]	🟢
Enhanced emissions-reporting obligations	NA[25]	NA[25]	🟢
Key physical risk identified			
Adverse weather condition	NA[25]	NA[25]	🔴

Legend: 🟢 Minor 🟠 Moderate 🔴 Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

[25] Not applicable as this scenario is unlikely in the short and medium term.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario > 4°C warming) may result in a severe financial impact in the long-term. Under the warming scenario 1.5°C, the vast majority of the impact will be attributable to transition risks from enhanced emissions-reporting obligations and shifting consumer preferences for environmentally friendly products. We will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks.

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Group's climate-related risks are identified and assessed during the climate-related risk assessment exercise which is performed by the Sustainability Committee on an annual basis.

Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. The Group's climate related risks and opportunities are subsequently presented to the Board. We will integrate the climate-related risks into our risk management framework within the financial year ending 31 December 2024 and such climate-related risks will be identified, assessed and managed according to the terms of such framework.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
We monitor, measure and report our environmental performance such as energy consumption and GHG emissions in our sustainability reports. Monitoring and reporting these data and metrics enable us to identify areas of material climate-related risks and be more focused in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.
To support the climate change agenda, we disclose our Scope 1, 2 and selected Scope 3 GHG emissions in this Report and set climate-related targets such as those related to energy and GHG emissions. We will continue to monitor our emissions and expand our disclosure of our Scope 3 GHG emissions wherever applicable and practicable.

Our disclosure on indirect Scope 3 emissions includes purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2023.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
As a commitment towards mitigating climate change, we set climate-related targets related to energy consumption and GHG emissions. For further details, please refer to page 41 in this Report.

SUSTAINABILITY REPORT

GRI Content Index

Statement of use	GSS Energy Limited has reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	12 to 13, 15, 120 to 121, 142 to 144
	2-2 Entities included in the organisation's sustainability reporting	15
	2-3 Reporting period, frequency and contact point	15, 17, 21
	2-4 Restatements of information	15, 36 to 37
	2-5 External assurance	16
	2-6 Activities, value chain and other business relationships	16
	2-7 Employees	33 to 38
	2-8 Workers who are not employees	We have approximately 41 workers who are not employees in FY2023. They are mainly security guards outsourced from agencies for our Indonesia subsidiary and sub-contractors and interns in the areas of printed circuit board development, software development, vehicle design and cleaning for our EV business.
	2-9 Governance structure and composition	5 to 12, 19 to 20
	2-10 Nomination and selection of the highest governance body	54 to 59
	2-11 Chair of the highest governance body	5, 12, 57 to 58
	2-12 Role of the highest governance body in overseeing the management of impacts	19 to 20
	2-13 Delegation of responsibility for managing impacts	19 to 20
	2-14 Role of the highest governance body in sustainability reporting	19 to 20
	2-15 Conflicts of interest	51 to 52
	2-16 Communication of critical concerns	39, 73
	2-17 Collective knowledge of the highest governance body	18, 52

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	67
	2-19 Remuneration policies	67 to 70
	2-20 Process to determine remuneration	67 to 70
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	2 to 4, 13
	2-23 Policy commitments	39 to 40, 43 to 47
	2-24 Embedding policy commitments	39 to 40, 76
	2-25 Processes to remediate negative impacts	39, 73
	2-26 Mechanisms for seeking advice and raising concerns	39, 73
	2-27 Compliance with laws and regulations	40
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	17 to 18
	2-30 Collective bargaining agreements	As at 31 December 2023, 95% of the applicable Group's employees are covered by collective bargaining agreements. This is mainly attributable to the staff employed in Indonesia.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	19 to 22
	3-2 List of material topics	22
	3-3 Management of material topics	22 to 42
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	24
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	39
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	29
GRI 303: Water and Effluents 2018	303-5 Water consumption	26

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	29
	305-2 Energy indirect (Scope 2) GHG emissions	29
	305-3 Other indirect (Scope 3) GHG emissions	29
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	30 to 31
	306-3 Waste generated	31
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	35 to 36
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	34
	401-3 Parental leave	34, 36
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	33
	403-10 Work-related ill health	33
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	35
	404-2 Programs for upgrading employee skills and transition assistance programs	34 to 35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	38
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	37
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	38 to 39

CORPORATE GOVERNANCE REPORT

GSS Energy Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to a high standard of corporate governance in order to protect the interest of its shareholders and enhance long-term shareholder value. The board of directors (the "**Board**" or the "**Directors**") fully supports the principles and guidelines of the Code of Corporate Governance 2018 (the "**Code**") and has put in place various mechanisms to ensure that effective corporate governance is practiced. The Board is pleased to report on the Company's corporate governance processes and activities as required by the Code and the relevant sections of the Listing Manual of the SGX-ST (the "**Listing Manual**"), Section B: Rules of Catalist (the "**Catalist Rules**").

The Group has generally adhered to the principles and provisions laid down by the Code, and where there is any variation from the provisions of the Code, appropriate explanation has been provided within this Report. For easy reference, sections of the Code under discussion in this Report are specifically identified.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

Principal Roles of the Board

The primary function of the Board is to set the strategic direction of the Group and the Group's approach to governance.

During the financial year ended 31 December 2023 ("**FY2023**"), as was in the past years, apart from its statutory responsibilities, the principal roles of the Board include:

i. providing entrepreneurial leadership, setting strategic directions and objectives, and ensuring that adequate financial and human resources are in place for the Group to achieve its objectives;

ii. ensuring the adequacy and effectiveness of internal controls (including financial, operational and compliance) and establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group performance;

iii. reviewing financial performance and necessary reporting compliance;

iv. approving matters as specified under the SGX-ST's interested person transaction policy;

v. reviewing and approving major funding, investment and divestment proposals;

vi. setting the Group's values, standards and organisational culture, reviewing management performance (including business ethics), ensuring proper accountability within the Group, and ensuring that obligations to shareholders and other stakeholders are understood and met;

vii. assuming responsibility for corporate governance; and

viii. considering sustainability issues such as environmental and social factors as part of its strategic formulation.

Fiduciary Duties and Conflicts of Interest

Directors are cognizant that they are fiduciaries of the Company and owe fiduciary duties under the law. Upon appointment, Directors undertake to comply with their director duties under the Catalist Rules, the Companies Act 1967 of Singapore (the "**Companies Act**"), the Company's internal guidelines and policies, and any other applicable laws and regulations.

CORPORATE GOVERNANCE REPORT

In the exercise of their power and duties, Directors act in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. When an actual or potential conflict of interest situation arises, the conflicted Director is required to recuse himself or herself from conflict-related discussions unless the Board is of the opinion that his or her participation is necessary. Where such participation is permitted, the conflicted Director excuses himself or herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself or herself from the decision-making.

A Director is required to declare his or her interests in all transactions with the Group, if any, and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his or her knowledge. This is also provided on an annual basis.

Directors' Orientation and Training

A formal letter of appointment is provided to a new Director upon his or her appointment, setting out the duties and obligations associated with his or her directorship. All new Directors are given an orientation of the Group's business, core values, corporate governance practices and its strategic directions as well as industry-specific knowledge.

A new director with no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST, unless the Nominating Committee (the "**NC**") is of the view that training is not required because he or she has other relevant experience.

Directors are informed of and encouraged to attend relevant training programmes conducted by Singapore Institute of Directors, Singapore Exchange Limited, and business and financial institutions and consultants. Such training and development undertaken by Directors will be at the Company's expenses. They are also informed about matters such as the Company's Code of Dealings which prohibits dealing in the Company's shares when they are privy to price sensitive information.

Directors are updated regularly on changes in relevant laws and regulations; industry developments; business initiatives and challenges; and analyst and media commentaries on matters related to the Company and the media industry so as to enable them to properly discharge their duties as Board or Board Committee members.

Access to Complete, Adequate and Timely Information

The Directors receive updates on the business of the Group from the Management on an on-going basis through regular scheduled meetings and ad-hoc Board meetings. Prior to the meetings, they are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognisant of the decisions and actions of the Management, and to make informed decisions and discharge their duties and responsibilities effectively. As a general rule, materials will normally be circulated out to them a week in advance of each meeting.

The Directors have been provided with the contact details of the Management and may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from Management, and the Directors may assist Management to strategise, make business decisions and oversee the execution of business plans by Management to achieve the Company's goals. The appointment and removal of the company secretary is a decision of the Board as a whole. In furtherance of their duties, the Directors, whether individually or collectively, may seek and obtain independent professional advice as and when the need arises, at the Company's expense.

Board Committees

To assist the Board in discharging its oversight functions and enhance the Company's corporate governance framework, the Board has formed three (3) committees, namely the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and NC (collectively, the "**Board Committees**"). Each Board Committee reviews the matters that fall within its respective terms of reference and reports its decisions to the Board which endorses and accepts ultimate responsibility on such matters. Minutes of the Board Committee meetings are available to all Board members. All Directors are required to declare their board representations annually. The NC will consider whether the board member is able to adequately carry out his or her responsibilities as a Director of the Company when he or she has multiple board representations and other commitments.

CORPORATE GOVERNANCE REPORT

The Board acknowledges that, while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

Board Approvals

The Group has adopted internal guidelines governing matters that require the Board's approval which has been clearly communicated to the Management in writing. Where appropriate, decisions are also taken by way of Directors' resolutions in writing. The matters that require the Board's approval are listed below:

i. appointment of Directors;

ii. annual report and financial statements and accounts;

iii. issuance of shares, dividends and other returns to shareholders;

iv. interested person transactions;

v. material acquisition or disposal;

vi. corporate strategies and financial restructuring;

vii. opening and closing of bank accounts, change of authorised signatories, mode of operation and dealing mandates with the Company's banks, acceptance of offers for banking facilities, and any borrowings, financial covenant or commitment; and

viii. any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

While matters relating to the Group's policies and strategies require the Board's approval, the Management is responsible for the day-to-day administration and operations of the Group.

Board Attendance

The Board meets every quarter to, among others, review the announcements of the Group's half year and full year financial results every half year. Additional meetings may be convened on an ad-hoc basis as and when necessary. Directors may convene Board meetings by teleconferencing or videoconferencing. The Company's Constitution allows for the Board meetings to be conducted in the form of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in the physical presence of another member or members.

The number of meetings held in the year and the attendance thereat are as follows:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Kuek Eng Chye, Anthony	4	4	5	5	2	2	2	2
Yeung Kin Bond, Sydney	4	4	–	–	2	2	–	–
Ng Say Tiong	4	4	–	–	–	–	–	–
Fung Kau Lee, Glenn	4	4	5	5	–	–	2	2
Wong Quee Quee, Jeffrey	4	4	5	5	2	2	2	2
Lee Kok Beng	4	4	–	–	–	–	–	–

CORPORATE GOVERNANCE REPORT

Principle 2: Strong and independent element on the Board

Board Composition and Size

As at the date of this Annual Report, the Board comprises six (6) members, of which two (2) are Independent Non-Executive Directors, one (1) is a Non-Executive NonIndependent Director and three (3) are Executive Directors.

The NC is responsible for examining the size and composition of the Board and Board Committees. Provision 2.3 of the Code provides that the Non-Executive Directors are to make up a majority of the Board. After having considered the scope and nature of the Group's businesses and the requirements of the business, the Board and the NC, after extensive observation and deliberation, are of the view that current board size and composition is appropriate notwithstanding that the Non-Executive Directors do not make up a majority of the Board. The Board believes that the existing composition of the Board Committees effectively serves the Group. There was no individual or small group of individuals that dominates the decisions of the Board. The Directors have demonstrated strong independent character and judgement over the years in discharging their duties and upholding the interest of shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged the Management where appropriate. Accordingly, notwithstanding that the Provision 2.3 of the Code was not met in FY2023, the Board is of the view that it has an appropriate level of independence and diversity to enable it to make decisions in the best interests of the Company. The Board is able to exercise independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its shareholders. The key information regarding the Directors are set out on pages 5 to 10 of this Annual Report.

Please also refer to "Board Independence" below in relation to the upcoming retirement of Mr. Kuek Eng Chye, Anthony ("**Mr. Anthony Kuek**").

Board Independence

The Code defines an "independent" director as one who is independent in conduct, character and judgement, has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

The Board recognises that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy, objective and valuable contributions to the Board as a whole. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

The NC takes into consideration of relations or circumstances, identified in the Code and the Practice Guidance accompanying the Code (the "**Practice Guidance**") in its determination as to whether a Director is independent. In FY2023, the Board considered a Director to be independent if he or she was independent in conduct, character and judgement, and had no relationship with the Company, its related corporations, its substantial shareholders (i.e., having at least a 5% interest in the Company) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Where any of the following circumstances existed, the Director would not be considered independent: (i) a Director being employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; or (ii) a Director who has an immediate family member who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee. Other circumstances that the Board considers in its determination of a Director's independence include (i) a Director being on the Board for an aggregate period of more than nine (9) years; (ii) a Director providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the financial year under review or the previous financial year, other than compensation for board service; and (iii) a Director being related to any organisation to which the Company or any of its subsidiaries, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The Directors submit annual declarations of independence to the NC for assessment. The NC, in its deliberation of the independence of a Director, took into consideration the relevant provisions of the Catalist Rules, the Code and where relevant, the recommendations set out in the Practice Guidance.

CORPORATE GOVERNANCE REPORT

Following its annual review for FY2023, the NC, having reviewed the independence of the relevant Directors, is satisfied that there are no relationships or circumstances which are likely to materially affect the following Independent Directors' objective and independent judgement:

i. Mr. Anthony Kuek; and

ii. Mr. Wong Quee Quee, Jeffrey ("**Mr. Jeffrey Wong**").

Accordingly, the Board has, upon the NC's recommendation, affirmed that (a) the above-named Directors were independent as contemplated by the Catalist Rules and the Code for FY2023; and (b) as at the date of this Annual Report, Mr. Jeffrey Wong, who had served less than nine (9) years as an Independent Director since his date of appointment to the Board, remains independent as contemplated by the Catalist Rules and the Code.

As at date of this Annual Report, Mr. Anthony Kuek has served on the Board for an aggregate period of more than nine (9) years since his first appointment on 18 November 2014. Under the Catalist Rules, a director will no longer be independent if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing) and such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Accordingly, Mr. Anthony Kuek will retire at the conclusion of the forthcoming annual general meeting ("**AGM**"). He will also be concurrently relinquishing his position as the Non-Executive Chairman of the Board as well as the Chairman and member of the respective Board Committees.

The NC and the Board are currently in the process of reviewing its composition and the memberships of the relevant Board and Board Committees, including appointing a potential candidate as a replacement for Mr. Anthony Kuek and will endeavour to do so within two (2) months from the date of retirement of Mr. Anthony Kuek, but in any case not later than three (3) months.

Board Diversity

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company is accordingly committed to promoting diversity of the Board. The Company has adopted its diversity policy (the "**Board Diversity Policy**") since 2022 and the Board Diversity Policy is reviewed and updated (where necessary) by the NC. The Board, through its Board Diversity Policy, endorses the principle that the Board should have a balance of skills, knowledge, experience, length of service, age, gender and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents and to foster constructive debate. All Board appointments are made based on merit, in the context of skills, experience, independence and knowledge which the Board, as a whole, requires to be effective.

The Board recognises the importance and benefits of diversity in all ways, regardless of genders, age groups, skillsets, experiences, background and other distinguishing factors/qualities, is to have an effective and diverse Board. The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

The Board Diversity Policy applies to the Board. The Board is aware that the Board Diversity Policy should include the following:

i. the Company's targets to achieve diversity on its Board;

ii. the Company's accompanying plans and timelines for achieving the targets;

iii. the Company's progress towards achieving the targets within the timelines; and

iv. a description of how the combination of skills, talents, experience and diversity of its directors services the needs and plans of the Company.

CORPORATE GOVERNANCE REPORT

The current Board of Directors consists of members from diverse backgrounds and possess core competencies, qualifications and skills, all of whom, as a group, provides the Board with a good mix of the necessary experience and expertise to direct and lead the Group. Their combined wealth and diversity of experience enables them to contribute effectively to the strategic growth and governance of the Group. For reference, please refer to pages 5 to 10 of this Annual Report for key information regarding the Directors. The Board recognises the importance and value of gender diversity in the composition of the Board.

Diversity Targets and Progress

The target, timeline and progress towards achieving the diversity objectives as set out in the Board Diversity Policy are summarised below:

1. Tenure of Service of Board of Directors

   The tenure of each independent Director is monitored every year so that the process for Board renewal is reviewed and considered ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence.

   As of the date of this Annual Report, there is one (1) Director who has served on the Board for an aggregate period of more than nine (9) years. To facilitate the Board renewal process, the Director concerned, Mr. Anthony Kuek will be retired at the conclusion of the forthcoming AGM so as to align with the Board renewal structure. Management has commenced the search for new Director(s) through various avenues and contacts and has put forward the recommendations for suitable candidates(s) to the Board and NC. The NC and the Board are currently in the process of reviewing its composition and the memberships of the relevant Board and Board Committees. The Company is aware of and aims to meet compliance with the requirements under the Catalist Rules as well as the relevant principles of the Code and will update the shareholders on the new composition of the Board and Board Committees.

2. Diversity of Age

   The ages of the current Directors range from 48 to 76. The Company has not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that its Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

3. Female Board Representation

   At the end of FY2023, all Directors are male. The Company believes in achieving an optimal mix of male and female on the Board to provide different approaches and perspectives. The NC aims to have at least one (1) female representation on the Board and will strive to include one (1) female candidate for any proposed board appointment.

   The NC and the Board are currently in the process of reviewing its composition and the memberships of the relevant Board and Board Committees, including appointing a potential candidate as a replacement for Mr. Anthony Kuek and will endeavour to do so within two (2) months from the date of retirement of Mr. Anthony Kuek, but in any case not later than three (3) months. The NC and the Board, in considering the potential replacement candidate, have taken into consideration the Board Diversity Policy, of achieving at least one (1) female representation. If a female candidate is selected and appointed, such candidate will lead the Company to achieve its gender diversity as set out in the Board Diversity Policy.

4. Independence of Board members

   As of FY2023, the Board comprised six (6) members of which two (2) were Independent Directors and the Chairman of the Board is independent. Although the Board is not composed of a majority of Independent Directors, the Company was in compliance with Provision 2.2 of the Code in FY2023 and will continue to be in compliance with the appointment of the replacement for Mr. Anthony Kuek. The Board believes that the level of Board independence has to-date, enabled the Board to function effectively at optimum level during the year and exercise objective judgment on corporate affairs independently.

CORPORATE GOVERNANCE REPORT

The Board will continue to review its composition on a regular basis and strive to achieve compliance with the Code (including Provisions 2.2 and 2.3), taking into consideration its operational needs.

5. Balance of skill set on the Board

The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations. The broad categories in the skill matrix are (i) industry knowledge; (ii) business and related; (iii) strategic planning; and (iv) professional skills (e.g. accounting & finance and legal & regulatory etc).

The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively to achieve the Company's strategic objectives. In identifying any new Board members, the NC and the Board aims to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision making. Each Director will be appointed based on his/her skills, experience and knowledge, and is expected to bring forth his/her experience and expertise to the Board for the continuous development of the Group.

Further, the Board has taken the following steps to maintain or enhance its balance and diversity:

i. annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

ii. annual evaluation by the Directors with a view to understanding the range and level of expertise which is potentially lacking on the Board

The NC reviews its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval. The Company remains committed to implement the Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Roles of Non-Executive Directors

The Non-Executive and Independent Directors meet without the presence of the Management, as and when they deem appropriate, to review any matters that might be raised privately. The Chairman of such meetings will then provide feedback to the Board as appropriate.

Principle 3: Clear division of responsibilities and balance of power and authority

Separation of the role of Chairman and Chief Executive Officer

The Company has a separate Chairman and Group Chief Executive Officer ("**CEO**"). The Chairman and the Group CEO are not related to each other. This ensures that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Both Directors are to maintain effective oversight and accountability at Board and Management levels.

Mr. Anthony Kuek is the Non-Executive Chairman of the Board. He promotes high standards of corporate governance and leads the Board to ensure its effectiveness on all aspects of its role. The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its role and responsibilities, approving agendas of Board Meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust discussions and deliberations in Board meetings, encourages constructive relations between Board and Management, and promotes high standards of corporate governance with the full support of the other Directors, the Company Secretary and Management.

CORPORATE GOVERNANCE REPORT

Pursuant to the retirement of Mr. Anthony Kuek as a Director of the Company and relinquishment of his position as a Non-Executive Chairman of the Board at the forthcoming AGM, the NC and the Board are currently in the process of reviewing its composition and the memberships of the relevant Board and Board Committees, including appointing a potential candidate as a replacement for Mr. Anthony Kuek and will endeavour to do so within two (2) months from the date of retirement of Mr. Anthony Kuek, but in any case not later than three (3) months. This candidate, and when appointed, will lead and ensure the effectiveness of the Board including, but not limited to, promoting a culture of openness and debate at the Board, facilitating the effective contribution of all Directors, and promoting high standards of corporate governance.

At the AGM and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

Mr. Sydney Yeung is the Group CEO, he bears responsibility for the overall management, businesses development and strategic planning of the Group, and the timeliness of information flow between the Management and the Board.

The Group CEO manages the Company and oversees the Group's operations and implementation of the Group's strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Group's business, including implementing Board's decisions, is carried out with the assistance of the senior management executives of the Group. Collectively, they are responsible for the day-to-day operations and administration of the Company and the Group, ensuring, *inter alia,* operational and organisational efficiency, profitable performance of the operating units, regulatory compliance, good corporate governance and effective risk management.

The Board is of the view that the Company had an effective group of Independent Non-Executive Directors in FY2023 to provide balance within the workings of the Board and oversight for minority shareholders' interests.

Principle 4: Board Membership

Formal and transparent process for the appointment and re-appointment of the Directors to the Board

The Board reviews the composition of the Board and Board Committees, taking into consideration of Director's experience, competencies, contribution and performance. For FY2023, the NC comprised three (3) Directors, namely, Mr. Anthony Kuek (Chairman of NC and an Independent Director), Mr. Sydney Yeung (Executive Director) and Mr. Jeffrey Wong (Independent Director) as members.

The NC is guided by its terms of reference which is in line with the Code. The principal responsibilities of the NC are:

i. To review succession plans for Directors, in particular, the Chairman and Group CEO;

ii. To determine whether a Director is independent annually;

iii. To review and recommend nomination and re-nomination of the Directors having regards to the Directors contribution and performance;

iv. To review the composition of the Board annually;

v. To decide whether a Director with multiple board representations and other principal commitments is able to carry out his duties as a director;

vi. To make recommendations to the Board on the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, and to be responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of each individual Director to the effectiveness of the Board. The review of Board diversity forms part of its annual evaluation of the Board's performance and effectiveness;

vii. To review the training and professional development programmes for the Board and to ensure that new Directors are aware of their duties and obligations; and

viii. To ensure the adherence to the Code.

CORPORATE GOVERNANCE REPORT

Review of Directors' independence

The NC is satisfied that the current size and composition of the Board has the adequate ability to meet the Company's existing scope of needs and the nature of operations. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

The independence of each Director is assessed and reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC took into account if such Director holds substantial interest in shares in the capital of the Company and examples of relationships as set out in the Code, and considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgements.

The Independent Directors for FY2023, being Mr. Anthony Kuek and Mr. Jeffrey Wong, have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d)(i) and (ii) of the Listing Manual of the SGX-ST. The Independent Directors do not have substantial interest in shares of the Company and were not in foreseeable situations that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

Appointment of New Directors and Re-appointment of Directors

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new Directors are required, the NC will identify the key attributes that an incoming Director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorses the key attributes, the NC taps on the resources of the Directors' network and/or engage external professional bodies or consultants to source for potential candidates. The NC will interview the shortlisted potential candidates with appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating most suitable candidate to the Board for approval and appointment as Director.

The role of the NC also includes the responsibility of reviewing the re-nomination of Directors who retire by rotation, taking into consideration the Director's integrity, independence, contributions and performance (such as attendance record, preparedness and participation at meetings) and any other parameters as may be determined by the NC. Each member of the NC shall abstain from voting on any resolutions in respect of his reappointment.

New Directors are appointed by way of a Board resolution, upon their nomination by the NC. In accordance with Regulation 88 of the Company's Constitution, these new Directors that are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Constitution also provides that at least one-third of the remaining Directors are subject to re-election by rotation at each AGM**.** This will enable all shareholders to exercise their rights in selecting all Board members.

Pursuant to Article 89 of the Company's Constitution, all Directors of the Board, including the Chairman are required to submit themselves for re-nomination and re-election at regular intervals, at least once every three (3) years. At each AGM of the Company, one-third of the Directors, being those who have served longest in office since their re election, are required to retire by rotation.

Pursuant to Rule 720(4) of the Catalist Rules of the SGX-ST, all Directors must submit themselves for re-appointment at least once every three (3) years.

The Board has accepted the NC's recommendation and has nominated the below Directors, who have consented to their election or re-election, to be put forward for election or re-election at the forthcoming AGM of the Company:

Mr. Ng Say Tiong
Mr. Jeffrey Wong

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information set out in Appendix 7F relating to the above Directors to be put forward for re-election at the forthcoming AGM is disclosed below:

Name of Director	**Ng Say Tiong**	**Wong Quee Quee, Jeffrey**
Date of Appointment	31 October 2014	21 June 2021
Date of last re-appointment (if applicable)	23 April 2021	29 April 2022
Age	62	48
Country of principal residence	Singapore	Singapore
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Ng serves as President of Precision Engineering ("**PE**") business, he oversees the overall operations of the PE business and is involved in business development.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-Executive Director, Audit Committee Chairman and member of the Remuneration Committee and the Nominating Committee.
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Ng as Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, relevant experience and overall contribution.	The re-election of Mr. Wong as the Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, relevant experience and overall contribution.
Professional qualifications	• Bachelor of Accountancy, National University of Singapore • Graduate Diploma in Marketing Management, Singapore Institute of Management • Master of Business (International Marketing), Curtin University of Technology in Australia	• Bachelor of Laws (Second Class Upper Honours), National University of Singapore • Advocate and Solicitor of the Supreme Court of Singapore • Solicitor of the Supreme Court of England and Wales • Diploma in Regulatory Compliance (Merit), International Compliance Association
Working experience and occupation(s) during the past 10 years	2016 to Present: President of Giken Sakata (S) Limited 2014 to 2023: Chief Financial Officer of GSS Energy Limited 1996 to 2016: Chief Financial Officer of Giken Sakata (S) Limited	2023 to Present: Partner, Solitaire LLP 2023 to 2023: Senior Adviser, Soochow CSSD Capital Markets (Asia) Pte. Ltd. 2018 to 2023: Chief Executive Officer, Soochow CSSD Capital Markets (Asia) Pte. Ltd. 2017 to 2018: Head of Investment Banking, Soochow CSSD Capital Markets (Asia) Pte. Ltd.

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Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
		2014 to 2017: Head of Investment Banking, Religare Capital Markets Corporate Finance Pte. Limited 2012 to 2014: Managing Director, Investment Banking of Religare Capital Markets Corporate Finance Pte. Limited
Shareholding interest in the listed issuer and its subsidiaries	None	Yes
Shareholding details	None	Interest in 800,000 shares in the capital of the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None.
Conflict of interest (including any competing business)	None	None. Mr. Jeffrey Wong is a partner of Solitaire LLP, a Singapore law firm which has provided legal services and may in the future provide legal services to the Group. Mr. Wong has not been a part of the Solitaire LLP engagement team for the provision of such services and has abstained from any decision by the Group on whether to engage Solitaire LLP.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	None	2018 to 2023: Chief Executive Officer and Executive Director of Soochow CSSD Capital Markets (Asia) Pte. Ltd. 2019 to 2023: Assistant Secretary General of Singapore Judo Federation 2017 to 2023: Member, Management Committee Strata Title 3682 2013 to 2020: Non-Executive Director of Solum Capital Limited 2019 to 2020: Independent Non-Executive Director of Rich Capital Holdings Limited

CORPORATE GOVERNANCE REPORT

Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
		2018 to 2020: Non-Executive Director of Sunstone Capital Markets Pte. Ltd. 2013 to 2019: Non-Executive Director of Honestbee Pte. Ltd. 2013 to 2019: Non-Executive Director of The Cub SG Pte. Ltd.
Present	Director of ● Giken Sakata (S) Limited ● Giken Precision Engineering (S) Pte Ltd ● Changzhou Giken Precision Co., Ltd. ● Giken Renewable Energy Solutions Pte. Ltd. ● Giken Mobility Pte. Ltd. ● Giken Motors Asia Pacific Pte. Ltd. ● Edison Motors Co., Ltd. Commissioner of PT Giken Precision Indonesia Trustee and Director of the Singapore Buddhist Lodge	Independent Non-Executive Director, Procurri Corporation Limited Independent Non-Executive Director, GKE Corporation Limited Independent Non-Executive Director, Katrina Group Ltd Director, Truth Assets Management (S) Pte Ltd Director, Truth Wealth Management VCC Deputy Secretary General, Hwa Chong Alumni Association Assistant Honorary Secretary General, Singapore Judo Federation Member, Management Committee Strata Title 3682 Senior Adviser, DHC Capital Pte Ltd Partner, Solitaire LLP
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	None	None

CORPORATE GOVERNANCE REPORT

Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	None	Yes Mr. Jeffrey Wong was previously a Non-Executive Director of Honestbee Pte. Ltd. and resigned from such position with effect from 15 August 2019. Subsequent to his resignation, the Singapore Court had, on 7 July 2020 issued an order for Honestbee Pte. Ltd. to be wound up.
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	None	None
(d) Whether there is any unsatisfied judgment against him?	NoneNone	
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	None	None

CORPORATE GOVERNANCE REPORT

Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	None	None
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	None	None
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	None	None
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	None	None
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	None	None

CORPORATE GOVERNANCE REPORT

Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	None	None
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	None	None
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	None	Yes. Mr. Jeffrey Wong was previously an Executive Director of Religare Capital Markets Corporate Finance Pte. Limited (“**RCMCF**”) between December 2010 and November 2017. In July 2016, RCMCF received a supervisory reminder from the Monetary Authority of Singapore (the “**Authority**”) in respect of its breach of Regulation 6(1)(a) of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Market Services Licenses) Regulations (the “**SF(FRM)R**”), which required a holder of the capital market services licence granted under the Singapore Securities and Futures Act to ensure that its financial resources do not fall below its total risk requirement. In July 2017, the Authority discovered another breach of the SF(FRM)R by RCMCF. After his resignation as executive director of RCMCF in November 2017, he was informed by RCMCF that the Authority had in February 2018, issued another supervisory reminder to remind RCMCF to ensure compliance with all applicable regulations at all time Mr. Jeffrey Wong is an Independent Non-Executive Director of Procurri Corporation Limited (“**Procurri**”). In August 2020, the Authority issued a reminder to Procurri to comply with Section 137G(1) of the Securities and Futures Act.

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Name of Director	Ng Say Tiong	Wong Quee Quee, Jeffrey
		Mr. Jeffrey Wong was previously an Executive Director of Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("**SCCM**") from April 2018 to January 2023. In February 2023, SCCM received a supervisory reminder from the Authority to maintain its base capital at or above the minimum requirement required by the Authority.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	None	None
If Yes, Please provide full details		
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes. Mr. Ng has been a director of GSS Energy Limited since 2014.	Yes. Mr. Jeffrey Wong has been a director of GSS Energy Limited since 2021. He is also a director of Katrina Group Limited, GKE Corporation Limited and Procurri Corporation Limited.

Directors' Time Commitments

The roles of the NC also include assessing yearly if each Director has any issue with competing time commitments, holds multiple directorships which may impact his or her ability to provide sufficient time and attention to his or her duties as a Director of the Company. In addition, the NC will also take into consideration, inter alia, a qualitative assessment of each Director's contributions as well as any other relevant time commitments.

The Board has not set a maximum number of other company directorships which a Director may concurrently hold, taking into consideration that multiple representations can benefit the Group as these Directors bring to the Board greater depth and diversity of experience, knowledge and perspectives. The NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2023.

The listed company directorships and profile of each Director is provided in the "Board of Directors" section of the Annual Report.

Principle 5: Board performance

The Board has an annual performance evaluation process, carried out by the NC. The evaluation exercise is carried out by way of performance evaluation checklists which are circulated to the Board members for completion. The Board performance evaluation process assesses qualitative and quantitative criteria including, *inter alia*, size, independence, diversity and quality of Board composition, adequacy, quality and timeliness of information provided to the Board, the Board's understanding of the Group's strategic objectives and internal controls, sustainability, Board culture and dynamics, Board's partnership with Management and other key issues. Each Director evaluates the performance of the Board and Board Committees. The assessment of the contribution of individual Directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria approved by the Board. The Board acts on the feedback and in consultation with the NC, proposes, where appropriate, new Directors to be appointed or seeks the resignation of Directors.

For FY2023, the NC had assessed the Board's performance and is of the view that the performance of the Board as a whole was satisfactory. Although some of the Board members have multiple board representations, the NC is satisfied that sufficient time and attention had been given by the Directors to the Group. No external facilitator was engaged for the evaluation process in FY2023.

Principle 6: Remuneration matters

Remuneration Committee Composition and Role

For FY2023, the RC was chaired by Mr. Anthony Kuek (Non-Executive Chairman and an Independent Director) and included Mr. Jeffrey Wong (Independent Director) and Mr. Glenn Fung (Non-Independent Non-Executive Director) as members. The RC members are well-versed in executive compensation matters, given their extensive experience in major appointments and senior corporate positions. The RC has explicit authority within its terms of reference to seek external professional advice on remuneration matters.

During the FY2023, no external evaluation facilitators were engaged with regards to the remuneration of Directors but the RC has drawn reference to the current industry practices and norms in compensation to maintain market competitiveness.

The RC is guided by its terms of reference which is in line with the Code. The principal responsibilities of the RC are:

i. ensuring remuneration policies are in line with Group's strategic objectives and corporate values, and do not give rise to conflicts between the objectives of the Company and interests of individual Directors and key executives;

ii. reviewing and make recommendation to the Board, the fees for the Non-Executive Directors;

iii. reviewing and make recommendation to the Board on Executive Directors' (including the Group CEO's) remuneration packages; and

iv. administering share options scheme.

The RC is tasked for ensuring that a formal and transparent procedure is in place for developing policy and for determining the remuneration packages of individual directors and key management personnel ("**KMPs**"). The RC recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director and KMPs. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' and KMPs' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him.

Directors do not participate in decision making in determining their own remuneration. Directors' fees are subject to shareholders' approval at the AGM.

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Principle 7: Level and Mix of Remuneration

The Group recognises the importance of having a skilled and dedicated workforce to manage and grow the businesses in an increasingly competitive and challenging environment. The Group formulates remuneration policies to provide compensation packages at market rates which reward good performance and attract, retain and motivate the Directors and executive officers. This ensures an appropriate remuneration level and mix that recognises the performance, potential, and responsibilities of these individuals.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from the Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Remuneration of Executive Directors and KMPs

The Executive Directors do not receive any Directors' fees. The Company advocates a performance-based remuneration structure for Executive Directors and KMPs that is flexible and responsive to the market, comprising a base salary, as well as variable performance bonus which is based on the Group's performance and the individual's performance such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Remuneration of Non-Executive Directors

The Non-Executive Directors have no service contracts with the Company and are paid with Directors' fees. In determining the quantum of such fees, factors such as effort and time spent, frequency of meetings, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. The Chairman of the Company receives higher fees to take into account the nature of his responsibilities. The aggregate fees of the Non-Executive Directors are subject to the approval of the shareholders at the AGM and will only be paid after the necessary approval has been obtained.

Yearly, the RC conducts review on the structure of Directors' fees and of the computation of the aggregate Director's fees with reference to Directors' fees of other listed companies in similar industries to ensure that the Directors' fees are within market norms and commensurate with responsibilities of the Non-Executive Directors. Pursuant thereto, the RC will propose the required changes (if any) to the Board for endorsement.

The RC, with the concurrence of the Board, has recommended to use the same structure for FY2023 Directors' fees after having considered last financial year overall quantum. FY2024 Directors' fees will be tabled for shareholder approval at the forthcoming AGM. These measures serve to ensure that the independence of the Non-Executive Directors is not compromised by their compensation.

Share-based Incentive

The Company had previously adopted the GSS Energy Limited Executives' Share Option Scheme (the "**GEL 2016 Scheme**") and GSS Energy Limited 2018 Executives' Option Scheme (the "**GEL 2018 Scheme**"), to acknowledge the contributions made by key management and staff to the well-being and prosperity of the Group and to allow them to have a real and meaningful stake in the Company at a relatively low direct cost. The Executive Directors, Independent Directors, employees, controlling shareholders and their associates are eligible to participate in such schemes in accordance with the Rules of the GEL 2016 Scheme and GEL 2018 Scheme.

Principle 8: Disclosure on Remuneration

The compensation packages for employees including the Executive Directors, CEO and KMP comprise a fixed component (base salary), variable component (cash based annual bonus), allowances and benefits, where applicable, taking into account amongst other factors, the individual's performance, and the performance of the Group and industry practices.

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For FY2023, having reviewed and considered the variable components in the remuneration packages of the Executive Directors, CEO and KMP, the RC is of the view that the remuneration packages of the Executive Directors, CEO and KMP, which include a fixed component and a variable component linked to the Company's performance, is aligned to the interest of shareholders and are not excessive. The variable portion is linked to individual performance, and is dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance.

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors, CEO, and KMP is commensurate with their performances and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performances of the Executive Directors and CEO (together with other KMP) are reviewed periodically by the RC and the Board.

Under Principle 8.1 of the Code, the Company is to disclose the amounts and breakdown of remuneration of (a) each individual Director and the CEO; and (b) at least the top five (5) KMP (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these KMP. The Board supports and is aware of the need for transparency. After deliberation, the Board has decided not to include a separate annual remuneration report to shareholders in this Annual Report on the remuneration of KMPs (who are not Directors or the CEO of the Company) as the Board is of the view that the remuneration packages are confidential and sensitive in nature and full disclosure of the specific remunerations of each individual KMP is not in the best interest of the Group having regard to the highly competitive environment in which it operates.

Remuneration paid to the Directors of the Company for the period under review are as follows:

Name of Director	Salary, allowances and benefits	Bonus	Director's Fees	Total Remuneration
	S$'000	**S$'000**	**S$'000**	**S$'000**
Yeung Kin Bond, Sydney	505	–	–	505
Ng Say Tiong	280	–	–	280
Lee Kok Beng	221	–	–	221
Kuek Eng Chye, Anthony	–	–	42	42
Wong Quee Quee, Jeffrey	–	–	38	38
Fung Kau Lee, Glenn	–	–	36	36

- The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.
- The director's fees are approved in advance at the AGM.

Remuneration paid to the KMPs for the period under review are as follows:

Name of KMP	Salary Allowances & Benefits	Bonus	Total
Below S$250,000			
Goh Lai Hai	98%	2%	100%
Wong Liong Khoon	97%	3%	100%
Orr Bee Lay	96%	4%	100%
Vikram Ahuja	100%	–	100%

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Except for Mr. Wong Liong Khoon, who is considered as executive officer of the Group for the purposes of the Catalist Rules, the other KMPs are the top three KMPs (who are not Directors or the CEO of the Company) of the Group. Although the Code requires disclosure for the top five (5) KMPs (who are not Directors or the CEO), the Group had determined that only the above-mentioned identified personnel are KMPs of the Group, by virtue of having authority and responsibility for planning, directing and controlling the activities of mechanisms, microshafts and electric vehicle business segment of the Group. As and when the Group determines that there is another KMP based on the scope of work and authority, such KMP will be identified and included in the disclosure.

The remuneration of each of the KMP does not exceed S$250,000 for FY2023. The total remuneration paid to the KMPs for FY2023 is S$556,274. Save as disclosed above, no other long-term incentives and no termination, retirement or post-employment benefits have been granted to the Directors and KMPs.

Save for Mr. Sydney Yeung, who is an employee as the Group CEO and is also a Director and a substantial shareholder of the Company, the Group does not have any other employees who are substantial shareholders of the Company, or immediate family members of a Director, the CEO or a substantial shareholder of the Company.

Principle 9: Risks Management and Internal Controls

Risk Management and Internal Control Systems

The Board, with the assistance of the AC, is committed to maintaining a sound system of internal controls, including financial, operational, information technology, compliance, and risk management systems to safeguard the interests of the shareholders and the Group's assets. Reviews are undertaken to ensure that the system of internal controls maintained by the Group is sufficient to provide reasonable assurance that the Group's assets are safeguarded against unauthorised use or dispositions, that transactions authorised, and proper financial records are maintained.

Assurance from the CEO, Chief Financial Officer ("CFO") and KMPs

The Group also periodically reviews operational and compliance control areas through the various heads of department, and has continuously made improvements with the assistance of regular internal reviews.

For the financial year under review, the Board has received assurance from:

i. the Group CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

ii. the Group CEO and the KMPs that the system of risk management and internal controls in place within the Group (including financial, operational and compliance) are sufficiently adequate and effective in addressing the material risks in the Group in its current business operations.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The AC conducts a review of the effectiveness of the Company's material internal control systems including financial, operational, compliance and information technology controls and risk assessment at least annually to ensure the adequacy thereof. In addition, an annual review is also conducted to ensure that safeguards, checks and balances are put in place to prevent any conflict of interest or any weakening of internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditor in this respect.

For the year under review, the following were performed to review adequacy and effectiveness of the Company's risk management and internal control systems:

i. Board Committees' meetings were held with KMP to discuss and review the financial and operational performance of the Group, internal control issues, where applicable, were discussed and addressed during such meetings;

ii. An external audit was performed by the external auditors and control gaps in financial controls were highlighted to the AC and appropriately addressed. The control gaps were presented and reviewed by the AC;

iii. A review of financial, operational and compliance matters was performed by the external professional consultant and significant internal control matters were highlighted to the CFO and KMP and appropriately addressed by respective business units; and

iv. Discussions were held between the AC, internal audit team and the external auditors in the absence of key management personnel to address any potential concerns.

For the year under review, no material weaknesses in the systems of risk management and internal controls were identified by the Board.

Pursuant to the above, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems maintained by the Company's management were adequate and effective as at 31 December 2023 against material financial misstatements or loss, the reliability of financial information, the maintenance of proper accounting records, includes the safeguarding of shareholders' investments, the Company's assets, compliance with appropriate legislation, regulation and best practice, and the identification and management of business risks.

Principle 10: Audit Committee

AC Composition and Role

For FY2023, the AC was chaired by Mr. Jeffrey Wong, an Independent Director and included Mr. Anthony Kuek (Non Executive Chairman and an Independent Director) and Mr. Glenn Fung (Non-Independent Non-Executive Director) as members.

The Board is satisfied that the AC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibility. None of the AC members are former members, partners or directors of the Company's existing auditing firm.

The AC convened five (5) meetings during the period under review, attended by members of the AC and relevant management staff. The AC also meets with the external auditors, without the presence of the Company's management staff, at least once a year.

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Code. The AC is guided by its terms of reference which is in line with the Code. The principal responsibilities of the AC are:

i. reviewing the audit plans and results of 'he Company's external audits;

ii. reviewing the adequacy, effectiveness, independence, scope and results of internal audits of the Group conducted by its external professional consultant and external audit;

iii. reviewing the Group's financial and operating results and accounting policies;

iv. reviewing the audited financial statements of the Company and the Group for the financial year before their submission to the Directors of the Company for consideration and approval thereafter;

v. reviewing the significant financial reporting issues and judgement so as to ensure the integrity of the financial statements of the company and any announcements relating the company's financial performance;

vi. reviewing the half-year and full-year results announcements of the Company and the Group to the SGX-ST;

vii. ensuring the co-operation and assistance by management to external auditors;

viii. making recommendations to the Board of Directors on the re-appointment of the external auditors and approved the remuneration and term of engagement of the external auditor;

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ix. reviewing "interested person transactions" as defined in Chapter 9 of the Catalist Rules as is required by SGX ST and ensuring that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company; and

x. performing any other functions which may be agreed by the AC and the Board.

The AC has been given full access to the resources required along with the co-operation of, the Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external auditors have unrestricted access to the AC.

The AC is kept abreast by the Management and the external auditors of change to accounting standards, the Catalist Rules and other regulations that could have an impact on the Group's business and financial statements.

Through the half-yearly and annual financial statements and timely announcements to shareholders, the Board aims to provide shareholders with adequate details that would allow a balanced and understandable assessment of the Group's financial performance, position and prospects. This responsibility extends to reports to regulators. The AC has been tasked to review the Company's financial information to ensure that the objective is met.

The AC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with the Management and the external auditors have been included as Key Audit Matters (the "**KAM**") in the audit report for FY2023 on pages 84 to 85 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that the Management's accounting treatment and estimates in the KAM were appropriate.

External Auditors

The AC is satisfied with the independence and objectivity of the external auditors and has recommended that RSM SG Assurance LLP, for re-appointment as the Company's external auditors in respect of financial year ending 31 December 2024 ("**FY2024**") at the forthcoming AGM. Aggregate fees paid/payable to the external auditors of the Company for audit services amounted to S$288,000 for FY2023. During FY2023, there was no non-audit related work carried-out by the external auditors and therefore, there was no fee paid on this aspect.

The Company has complied with Rules 712 and 715 of the Catalist Rules in the appointment of its external auditors.

Internal Auditors

The internal audit function is to assist the Board to evaluate the adequacy, effectiveness, reliability of the internal controls and risk management processes of the Group. The AC is tasked to examine the internal audit plan, determine the scope of audit examination, implementation of the improvements required on internal control weakness identified, review findings thereof, and to ensure Management provides the necessary Co-operation for internal auditors to perform their duties.

The internal audit function of the Group is outsourced to NLA Risk Consulting Pte Ltd ("**NLA**") since financial year ended 31 December 2020. NLA adopts the Standards of Professional Practice of Internal Auditing set by the Institute on Internal Auditors in performing their audits. The internal auditors review the effectiveness of key internal controls, including financial, operational, information technology, risk management and compliance controls for selected scope of review annually, as approved by the AC. The internal auditors report their findings and any recommendation for improvement to the AC. The relevant department will follow up on any recommendation for improvement and progress is reviewed by NLA and the Board for the next financial year. The AC is satisfied that the internal audit function is independent of all the areas, effective and adequately resourced. The internal auditors report primarily to the Chairman of the AC and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The AC annually reviews the adequacy and effectiveness of the internal audit function to ensure that resources are adequate and that the internal audits are performed effectively. It approves the appointment, termination, evaluation and the remuneration of the internal auditors.

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Furthermore, in the course of the statutory audit, the external auditors also perform a review of the adequacy and effectiveness of the Group's material internal controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

Meeting Auditors Without the Presence of Management

The AC meets with the external auditors and the internal auditors, at least once a year, without the presence of the Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the AC.

In line with the Rule 705(5) of the Catalist Rules, the Board provides confirmation to the shareholders in its quarterly financial statements announcements, confirming that to the best of its knowledge, nothing has come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

In addition, the Company has, pursuant to Rule 720(1) of the Catalist Rules, received undertakings from all its Directors and executive officers that they shall each, in the exercise of their powers and duties as Directors and executive officers, comply with the provisions of the Catalist Rules, the Securities and Futures Act 2001 of Singapore, the Singapore Code on Takeovers and Mergers, and the Companies Act and will also procure the Company to do so.

Whistle-blowing Policy

The Company adopted a whistle-blowing framework whereby staff, shareholders, clients, vendor and contractors of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The framework includes arrangement for independent investigation and appropriate follow-up of such matters. The Company is committed to ensuring that the identity of the whistleblower is kept confidential and the protection of the whistleblower against detrimental or unfair treatment. The Company's whistleblowing policy can be found at the Company's website at the URL https://gssenergy.com.sg/whistleblowing-policy/. The AC reviews all whistleblowing complaints, if any. The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the external advice where they deem appropriate.

During FY2023, there was no incident of concern reported to the AC.

Interested Person Transactions

The Company has established a procedure for recording and reporting interested person transactions. All interested person transactions are subject to review by the AC to ensure they were carried out on a normal commercial terms.

For the financial year under review, there were no interested person transactions entered into by the Company required to be disclosed pursuant to Catalist Rule 907.

Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, no material contracts were entered into between the Company or any of its subsidiaries involving the interest of any director or controlling shareholders, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of previous financial year except for the related party transactions and Directors' remunerations disclosed in the Note 3 to the financial statements.

Principle 11: Shareholders rights

The Company endeavours to ensure that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET. This will allow shareholders to make informed decisions in respect of their investments in the Company. The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Code, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

CORPORATE GOVERNANCE REPORT

Information is communicated to all shareholders on a timely basis through:

i. annual reports that are prepared and issued to all shareholders. The Company makes every effort to ensure that all relevant information about the Group and other disclosures that are required by the SGX-ST, the Companies Act and Singapore Statements of Accounting Standard, are included in the Annual Report;

ii. periodic financial statements containing a summary of the financial information and affairs of the Group for the period that are reported through the SGXNET;

iii. notices and explanatory notes for AGM and extraordinary general meetings;

iv. disclosures to the SGX-ST; and

v. the Group's website at www.gssenergy.com.sg, at which shareholders can access information on the Group. The website provides, *inter alia,* information on the Group's corporate disclosure, corporate data, corporate profile and annual reports.

Conduct of General Meetings

Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Group's strategy and objectives. If shareholders are unable to attend any meetings of the Company, the Constitution of the Company allows shareholders to appoint up to two (2) proxies to vote on their behalf through proxy forms sent in advance. Nominee agencies such as banks, securities custodians and the Central Provident Fund ("**CPF**") are allowed to appoint more than two (2) proxies. Therefore, shareholders who hold shares through these nominees, including CPF investors, can attend and participate at the meetings as proxies of these agencies. Voting in absentia by mail, facsimile or email is currently not allowed.

The AGM serves as the principal forum for shareholders to obtain information and give feedback about the Group. The notice of AGM and Circulars will be issued at least fourteen (14) days before the scheduled date. The Board welcomes questions from shareholders, either formally at the AGM or informally, before and after the AGM.

The forthcoming AGM will be held, in a wholly physical format, at GSS Energy Limited's head office, located at Blk 4012 Ang Mo Kio Ave 10, #05-01 Techplace 1, Singapore 569628, on 30 April 2024. There will be no option for shareholders to participate virtually.

Shareholders may pre-submit any questions they may wish to ask in relation to the resolutions to be tabled at the AGM. The proceeding of each of the general meetings will be properly recorded, including substantial or relevant comments or queries from shareholders relating to the agenda of the general meetings and responses from the Board and Management. All minutes of the general meetings will be available on the Company's corporate website.

Separate Resolutions at General Meetings

Separate resolutions on each distinct issue are tabled at general meetings and voting on each resolution by poll is carried out systematically with proper recording of votes cast and the resolution passed. Shareholders are given the opportunity to raise questions on each of the motions. Bundling of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one (1) significant proposal and only where there are reasons and material implications justifying the same, which will be explained in the notice of meeting.

Dividend Policy

The Company has not adopted a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, operational and capital requirements, cash flow and financial conditions, as well as general business conditions and other factors which the Board may deem appropriate. The Board endeavours to maintain a balance between meeting shareholder's expectations and prudent capital management.

The Board has reviewed the Group's resources for ongoing operations and plans for expansion, and considered that the consolidation of all available financial resources would enable the Group to use them more effectively to support growth and enhance shareholder value. Accordingly, a dividend was not recommended for FY2023.

CORPORATE GOVERNANCE REPORT

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company has in place an Investor Relations Policy which sets out the principles and practices that the Company applies to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Company stands committed to engaging shareholders and investment community through clear, timely and consistent communications.

The Company has engaged an investor relations ("**IR**") firm to focus on facilitating the communications with all stakeholders – regulators, shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's financial performance and corporate development. To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out on page 12 of this Annual Report as well as on the Company's website.

The AGM is an opportune forum for direct dialogue with shareholders, investors and analysts. They have the opportunity to raise questions to the Board and senior Management, and clarify with them any issues they may have. All Directors attend our general meetings for shareholders and the external auditors are also engaged to address shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report. Such meetings allow the Company to gather the views or inputs of the shareholders and address any concerns that they may have.

All Directors attended the AGM 2023. The shareholders were invited to submit their questions for the AGM in advance of the meeting, and the Company provided its responses via SGXNET and the corporate website on 21 July 2023 prior to commencement of the AGM on 28 July 2023.

Outside of the financial announcement periods, when necessary and appropriate, the Group CEO engages with local and foreign investors to garner feedback from the investor community on a range of strategic and topical issues, which provides the Board with valuable insights on investors' views. When opportunities arise, the Group CEO conducts media interviews to give shareholders and the investing public a profound perspective of the Group's business.

For the forthcoming AGM of the Company, shareholders are allowed to submit questions relating to the Annual Report and the accompanying Appendices, and resolutions set out in the notice of AGM in advance to the Company by email or by post to the Company's registered office. The Company's responses to the questions will subsequently be published on SGXNET at least forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms to facilitate members' votes and to allow members to make an informed decision on the resolutions to be tabled at the AGM.

In line with the continuous disclosure obligations under the requirements set out in the Catalist Rules and the Companies Act, the Board informs the shareholders promptly of all major developments that may have a material impact on the Group where required pursuant to such obligations.

The Company and its businesses information is also made available on the Company's website at the URL www.gssenergy.com.sg. Shareholders and the public can access for the latest financial results, media releases, annual report and other corporate information on the Company. Investors can submit feedback and queries to the Company's investor relations team through contact provided in the Company website. Investor relations personnel will attend to their queries to keep the investing public apprised of the Company's corporate developments and financial performance.

CORPORATE GOVERNANCE REPORT

Principle 13: Engagement with Stakeholders

The Company values the importance of maintaining positive relationships, engaging and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served. The Company's stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. Having identified the stakeholders and the material issues, it has provided the necessary guidance on the key areas of focus and the prioritisation of resources for the various sustainability initiatives. More details on the Company's approach to stakeholder engagement and materiality are disclosed in the Sustainability Report on pages 17 to 18 of this Annual Report.

The Company maintains a corporate website at www.gssenergy.com.sg to communicate and engage with stakeholders.

Code of Business Ethics

The Group has adopted a Code of Business Ethics to regulate the standards and ethical conduct of the Group's employees who are required to observe and maintain high standards of integrity.

Dealing in Securities

Following the introduction of the Code, the Company has brought to the attention of its employees the implications of insider trading and recommendations of the Code.

In compliance with the Rule 1204(19) of the Catalist Rules, the Company has adopted and implemented an internal compliance code which prohibits securities dealings by Directors and employees while in possession of unpublished price-sensitive information. Officers are discouraged to deal in the Company's securities on short-term considerations.

Directors, executives and any other employees who have access to material price-sensitive information are prohibited from dealing in securities of the Company prior to the announcement of a matter that involves material unpublished price-sensitive information. They are required to report on all their dealings in the Company's securities to the Company. They are also prohibited from dealing in the Company's securities during the period commencing one (1) month before the announcement of the Company's half year or full-year results and ending on the day after the announcement of the half year and full-year results.

Non-Sponsor Fees

During the financial year under review, the Sponsor did not provide any other non-sponsor services to the Company and there were no non-sponsor fees paid during this period. A sum of S$23,000 in legal fees (incurred in association with corporate actions which the Company has consulted for) was paid to Morgan Lewis Stamford LLC, a related corporation of the Sponsor.

On 7 March 2024, the Company announced that the Sponsor had given notice to the Company that it will terminate its continuing sponsorship of the Company, with effect from 28 May 2024. The Company has identified a suitable sponsor and will endeavor to appoint the new sponsor by 28 May 2024.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The Directors of GSS Energy Limited (the "Company") present their statement together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2023, the statement of financial position of the Company as at 31 December 2023 and the statement of changes in equity of the Company for the reporting year ended 31 December 2023.

1. Opinion of the directors

In the opinion of the directors

(a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the reporting year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Yeung Kin Bond, Sydney
Ng Say Tiong
Lee Kok Beng
Kuek Eng Chye, Anthony
Fung Kau Lee, Glenn
Wong Quee Quee, Jeffrey

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except as disclosed in paragraph 4 below.

DIRECTORS' STATEMENT

4. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 of Singapore (the "Act"), except as follows:

Name of directors and companies in which interests are held	Direct interest: At beginning of the reporting year	Direct interest: At end of the reporting year	Deemed interest: At beginning of the reporting year	Deemed interest: At end of the reporting year
Company:				
GSS Energy Limited	**Number of shares of no par value**			
Yeung Kin Bond, Sydney	90,333,499	90,333,499	1,400,001	1,400,001[1]
Fung Kau Lee, Glenn	–	–	72,700,000	72,700,000[2]
Wong Quee Quee, Jeffrey	800,000	800,000	–	–
Lee Kok Beng	905,000	905,000	–	–
	Options in respect of ordinary shares[3]			
Ng Say Tiong	11,000,000[4]	–	–	–
Lee Kok Beng	1,600,000[4]	–	–	–

(1) Roots Capital Limited ("Roots Capital") holds 1,400,001 (2022: 1,400,001) shares in the Company. As at the date of this statement, Mr Yeung Kin Bond, Sydney is the sole director of Roots Capital and he holds 100% of the issued share capital of Roots Capital. Accordingly, he is deemed to have an interest in the shares in the Company held by Roots Capital.

(2) Sundan Pacific Limited ("Sundan Pacific") holds 72,700,000 (2022: 72,700,000) shares in the Company. As at the date of this statement, Mr Fung Kau Lee, Glenn is the managing director of Sundan Pacific and he holds 100% of the issued share capital of Sundan Pacific. Accordingly, he is deemed to have an interest in the shares in the Company held by Sundan Pacific.

(3) The Company has two (2) share option incentive schemes which were approved by its shareholders at (a) the annual general meeting of the Company on 22 April 2016 (the "GEL 2016 Scheme"); and (b) the annual general meeting of the Company on 23 April 2018 (the "GEL 2018 Scheme"), respectively. Under the terms and conditions of the GEL 2016 Scheme and the GEL 2018 Scheme, (a) full-time employees of the Company and its related Group companies; (b) Executive Directors of the Company and its related Group companies; and (c) Non-executive Directors (including Independent Directors) of the Company and its related Group companies are eligible to participate in the GEL 2016 Scheme and GEL 2018 Scheme.

(4) On 26 February 2023, Mr Ng Say Tiong's 11,000,000 share options and Mr Lee Kok Beng's 1,600,000 share options granted under the GEL 2016 Scheme had lapsed.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2024 in the shares of the Company have not changed from those disclosed as at 31 December 2023.

DIRECTORS' STATEMENT

5. Options

The GEL 2016 Scheme and the GEL 2018 Scheme are share option incentive schemes (collectively known as "GEL Schemes"). The objective of the GEL Schemes is to attract, retain and motivate key employees of the Company and its related Group companies by providing them the opportunity to acquire a proprietary interest in the Company and to align their interests and efforts with the long-term interests of the Company's shareholders. The GEL Schemes continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the relevant date on which the GEL Schemes are adopted by Shareholders.

Under the terms and conditions of the GEL Schemes, (a) full-time employees of the Company and its related Group companies; (b) Executive Directors of the Company and its related Group companies; and (c) Non-executive Directors (including Independent Directors) of the Company and its related Group companies are eligible to participate in the GEL Schemes.

The number of shares to be offered to a grantee in accordance with the GEL Schemes shall be determined at the absolute discretion of the GSS Energy Limited Executives' Share Option Scheme Committee (the "Committee") comprising three directors namely Mr. Kuek Eng Chye, Anthony (Chairman), Mr. Fung Kau Lee, Glenn (Member) and Mr. Yeung Kin Bond, Sydney (Member), which shall take into account criteria such as the rank and responsibilities, performance, years of service and the potential contributions of the grantee. The Committee shall exercise its discretion judiciously in deciding the number of shares under the GEL Schemes to grant to each grantee.

Since commencement of the GEL Schemes, the Company issued and allotted 700,000 new ordinary shares (the "New Shares") in the capital of the Company, at the exercise price of $0.09856 for each New Share with a total consideration of $68,992 pursuant to the exercise of options granted under the GEL Schemes.

The aggregate number of shares in respect of which the Company may grant options, when added to the number of shares issued and issuable in respect of (i) all options granted under the GEL Schemes; and (ii) all options or awards granted under any other incentive schemes or share plans, shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares) on the day immediately preceding the grant date. This rule under the relevant GEL Scheme may be amended by the Committee from time to time, but only after all required approvals have been obtained from the Board of Directors and the shareholders of the Company, in accordance with the terms and conditions of the relevant GEL Scheme.

The exercise price for each share in respect of which an option is exercisable shall be fixed by the Committee at the market price share at time of grant (the "Market Price") or at an discount to the Market Price. The discount shall not exceed the 20% of the Market Price.

(i) **Options granted on 27 February 2017 under GEL 2016 Scheme**

The Company granted a total of 39,800,000 options to subscribe for ordinary shares of the Company at exercise price of $0.1232 per share for 10,000,000 shares and at discounted exercise price of $0.09856 per share for 29,800,000 shares. Letters of Offer for grant of options to selected employees were issued on 27 February 2017 ("grant date"). On 24 April 2017, the Company obtained shareholders' approval to grant 7,400,000 options to a Director of the Company at discounted price of $0.09856 per share. The vesting period for the options ranged from 12 months to 24 months from the grant date. All the share options granted on 27 February 2017 lapsed in FY 2022.

(ii) **Options granted on 23 February 2018 under GEL 2016 Scheme**

The Company granted a total of 27,223,000 options to subscribe for ordinary shares of the Company at exercise price of $0.12512 per share. Letters of Offer for grant of options to selected employees were issued on 23 February 2018 ("grant date"). The vesting period for the options was 24 months from the grant date and the exercise period was from 23 February 2020 to 22 February 2023. All the share options granted on 23 February 2018 lapsed in FY 2023.

5. **Options** (Continued)

(iii) **Options granted on 9 March 2022 under GEL 2018 Schemes**

The Company granted a total of 6,000,000 options to subscribe for ordinary shares of the Company at exercise price of $0.05664 per share. On 9 March 2022, although 6,000,000 options were granted, only 5,000,000 options were subscribed. The vesting period for the options was 24 months from the grant date. The options have vested since and the exercise period is from 10 March 2024 to 9 March 2027.

(iv) **Options granted details**

(a) Options granted to directors and controlling shareholders of the Company and employees of its subsidiaries under the GEL Schemes are as follows:

Name	Options granted during financial year under review	Aggregate options granted since commencement of the GEL Schemes to the end of the financial year under review	Aggregate options exercised since commencement of the GEL Schemes to the end of the financial year under review	Aggregate options cancelled and lapsed since commencement of the GEL Schemes to the end of the financial year under review	Aggregate options outstanding at the end of the financial year under review
	’000	’000	’000	’000	’000
Directors					
Yeung Kin Bond,Sydney	–	7,400	–	(7,400)	–
Ng Say Tiong	–	13,000	–	(13,000)	–
Lee Kok Beng	–	2,400	–	(2,400)	–
Kuek Eng Chye,Anthony	–	1,400	–	(1,400)	–
Fung Kau Lee, Glenn	–	700	–	(700)	–
Others	–	55,523	(700)	(50,823)	4,000
	–	80,423	(700)	(75,723)	4,000

(b) The options granted to the controlling shareholder, Yeung Kin Bond, Sydney, are as described in paragraph (a) above. There were no options granted to associates of the controlling shareholder during the financial year.

(c) During the financial year, no participant has received 5% or more of the total number of options available under the GEL Schemes.

(d) Under the terms and conditions of the GEL Schemes, directors and employees of the Company's parent company and its subsidiaries (other than the Company and the Company's subsidiaries) are not entitled to participate in the GEL Schemes.

(e) No share options were granted during the financial year.

DIRECTORS' STATEMENT

5. **Options** (Continued)

(f) Under the GEL Schemes, share options granted, exercised and lapsed during the financial year and outstanding as at 31 December 2023 were as follows:

Date granted	Balance at 1 January 2023 '000	Granted '000	Lapsed/ Cancelled '000	Balance at 31 December 2023 '000	Exercise price $	Exercise period
23 February 2018	15,123	–	(15,123)	–	0.12512	23 February 2020 to 22 February 2023
9 March 2022	5,000[1]	–	(1,000)	4,000	0.05664	10 March 2024 to 9 March 2027
	20,123	–	(16,123)	4,000		

6. **Report of Audit Committee**

The members of the Audit Committee at the date of this statement are as follows:

Wong Quee Quee, Jeffery	(Chairman of Audit Committee, Member of Nominating and Remuneration Committee)
Kuek Eng Chye, Anthony	(Independent director and member of Remuneration Committee)
Fung Kau Lee, Glenn	(Chairman of Nominating and Remuneration Committee)

The AC carries out its functions in accordance with Section 201B(5) of the Act and the Code of Corporate Governance 2018. The AC is guided by its terms of reference which is in line with the Code of Corporate Governance 2018. The principle responsibilities of the AC are:

(i) reviewing the audit plans and results of the Company's external audits;

(ii) reviewing the adequacy, effectiveness, independence, scope and results of internal audits of the Group conducted by its external professional consultant and external audit;

(iii) reviewing the Group's financial and operating results and accounting policies;

(iv) reviewing the audited financial statements of the Company and the Group for the financial year and external auditor's report on these statements before their submission to the Directors of the Company for consideration and approval thereafter;

(v) reviewing the significant financial reporting issues and judgement so as to ensure the integrity of the financial statements of the company and any announcements relating the Company's financial performance;

(vi) reviewing the half-yearly and full-year results announcements of the Company and the Group to the SGX-ST;

(vii) ensuring the co-operation and assistance by management to external auditors;

(viii) making recommendations to the Board of Directors on the re-appointment of the external auditors and approved the remuneration and term of engagement of the external auditor;

(ix) reviewing "interested person transactions" as defined in Chapter 9 of the Catalist Rules and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company; and

[1] On 9 March 2022, 6,000,000 share options were granted, and only 5,000,000 share options were subscribed.

DIRECTORS' STATEMENT

6. Report of Audit Committee (Continued)

(x) performing any other functions which may be agreed by the AC and the Board.

The AC has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external auditor has unrestricted access to the AC.

The AC reviews all non-audit services provided by the external auditor to the Group, if any. There are non-audit services provided to the Company by the external auditor for the financial year ended 31 December 2023.

The AC has recommended to the Board of Directors the nomination of RSM SG Assurance LLP, for re-appointment as external auditor of the Company at the forthcoming annual general meeting.

Other functions performed by the Audit Committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services.

7. Directors' opinion on the adequacy of internal controls

Based on the internal and financial controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective as at 31 December 2023.

8. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's unaudited financial statements, as announced on 29 February 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report, except for the Group's allowance for impairment for the trade receivables as dislosed in note 31 of the financial statements.

Shareholders are to note the announcement released by the Company on 15 April 2024 in relation to material variances between the unaudited financial statements and the audited financial statements for FY2023.

9. Additional disclosure requirements of the Listing Manual of Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries of the company are disclosed in Note 17 to Note 18 in the financial statements. In the opinion of the board and the AC, Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited have been complied with.

10. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

On behalf of the directors

Yeung Kin Bond, Sydney
Director

Ng Say Tiong
Director

12 April 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of GSS Energy Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of GSS Energy Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Assessment of impairment of goodwill

   Please refer to Note 2A, 2B and 16 to the financial statements for the relevant accounting policy and key assumptions used in assessing the impairment of goodwill.

   As at 31 December 2023, the carrying amount of the goodwill amounted to $6,395,000 as disclosed in Note 16 to the financial statements which accounted for approximately 6% of the total assets of the Group.

   Accordingly, we have assessed the impairment assessment of goodwill as a key audit matter.

   Goodwill is assessed annually for impairment. The management engaged an independent valuation specialist to assess the recoverable amount based on value-in-use (discounted cash flow) method to determine the recoverable amount of goodwill. The value-in-use calculation involves significant judgment and estimation in determining the cash flow forecasts expected to arise from the cash-generating unit ("CGU"), a suitable discount rate in order to calculate present value and terminal growth rate. If there are indicators of impairment, the deficit between the recoverable amount and their carrying value would be recognised in profit or loss.

INDEPENDENT AUDITOR'S REPORT

To the Members of GSS Energy Limited

Key audit matters (Continued)

We have performed the following audit procedures to address the key audit matter:

a) We engaged our internal valuation specialist to assist in the review of management's expert estimates;

b) We discussed with management the basis adopted by management for the discounted future cash flows used to determine the value-in-use of the CGU;

c) We challenged management's estimates used in the discounted future cash flows through our knowledge of the CGU's operations and performed sensitivity analysis on the outcome of the value-in-use of the CGU;

d) We assessed and tested the key assumptions which the outcome of the impairment assessment is most sensitive to; and

e) We assessed the adequacy of the disclosures made in the financial statements.

2. Assessing expected credit loss allowance on trade receivables

Please refer to Notes 2A, 2B and 22 to the financial statements for the relevant accounting policy and key assumptions used in assessing the expected credit loss allowance on trade receivables.

Trade receivables of the Group are significant as at the end of the reporting year. The allowance for impairment of trade receivables is estimated by management through the application of judgement and use of subjective assumptions. Any impairment of significant receivables could have material impact to the Group's and the Company's profit or loss.

Accordingly, we have assessed the expected credit loss allowance on trade receivables as a key audit matter.

The estimate of expected credit loss allowance is based on the historical trend of trade receivables, which includes analysis of the age of these receivables, credit worthiness of the profile of the customers and historical default rates.

For the samples selected, our audit procedures included, but were not limited to the following:

a) We obtained an understanding of the Group's policies and procedures in assessing expected credit loss allowance on trade receivables;

b) We assessed the credit risks of the customers by analysing the payment history and receipts subsequent to reporting year end of selected customers and considered events or indicators which resulted in increase in credit risk of those customer; and

c) We assessed the adequacy of disclosures in the financial statements.

Other matter

The financial statements of the reporting entity for the reporting year ended 31 December 2022 were audited by another independent auditor whose report dated 7 July 2023 expressed an unqualified opinion on those financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

To the Members of GSS Energy Limited

Other information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To the Members of GSS Energy Limited

Auditor's responsibilities for the audit of the financial statements (Continued)

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Thiam Soon.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

12 April 2024
Engagement partner - effective from year ended 31 December 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Revenue	5	**118,198**	129,691
Cost of sales		**(106,386)**	(113,838)
Gross profit		**11,812**	15,853
Other income and gains	6	**802**	982
Distribution costs		**(11,610)**	(12,194)
Administrative expenses		**(4,896)**	(5,091)
Finance costs	8	**(1,875)**	(1,412)
Other losses	6	**(2,367)**	(10,042)
Share of results of associates		**–**	(2,753)
Loss before tax from continuing operations		**(8,134)**	(14,657)
Income tax expense	10	**(796)**	(436)
Loss from continuing operations for the year		**(8,930)**	(15,093)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	26B	**(990)**	(1,542)
Items that will not be reclassified to profit or loss			
Remeasurement gain on retirement benefits		**90**	(556)
Other comprehensive income for the year, net of tax		**(900)**	(2,098)
Total comprehensive loss for the year		**(9,830)**	(17,191)
Loss for the year attributable to:			
Equity holder of the Company		**(8,792)**	(14,904)
Non-controlling interest		**(138)**	(189)
		(8,930)	(15,093)
Total comprehensive loss attributable to:			
Loss attributable to owners of the parent, net of tax		**(9,724)**	(17,037)
Loss attributable to non-controlling interests, net of tax		**(106)**	(154)
		(9,830)	(17,191)
Loss per share (cents)			
Basic		**(1.40)**	(2.41)
Diluted		**(1.40)**	(2.41)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Notes	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Non-current assets					
Property, land and equipment	12	**22,614**	23,825	**–**	2
Intangible assets	13	**3,169**	1,447	**–**	–
Land use rights	14	**1,109**	1,209	**–**	–
Right-of-use assets	15	**12,290**	14,704	**–**	–
Goodwill	16	**6,507**	6,507	**–**	–
Other receivables	22	**–**	–	**6,250**	6,250
Investment in subsidiaries	17	**–**	–	**16,399**	16,340
Investment in associates	19	**–**	–	**–**	–
Deferred tax assets	10	**699**	563	**–**	–
Total non-current assets		**46,388**	48,255	**22,649**	22,592
Current assets					
Inventories	20	**18,295**	30,055	**–**	–
Trade and other receivables	22	**22,462**	11,537	**783**	807
Other non-financial assets	23	**2,088**	3,863	**5**	12
Cash and cash equivalents	24	**14,883**	15,151	**107**	88
Total current assets		**57,728**	60,606	**895**	907
Total assets		**104,116**	108,861	**23,544**	23,499
EQUITY AND LIABILITIES					
Equity					
Share capital	25	**66,666**	66,666	**66,666**	66,666
Other reserves	26	**93**	4,781	**135**	3,801
Accumulated losses		**(23,782)**	(18,820)	**(46,887)**	(49,315)
Equity, attributable to owners of the parent		**42,977**	52,627	**19,914**	21,152
Non-controlling interest		**(1,472)**	(1,366)	**–**	–
Total equity		**41,505**	51,261	**19,914**	21,152
Non-current liabilities					
Deferred tax liabilities	10	**284**	322	**–**	–
Loans and borrowings	27	**4,729**	2,448	**–**	–
Lease liabilities	21	**5,363**	5,486	**–**	–
Other payables	28	**26**	45	**–**	–
Retirement benefit obligations	29	**2,201**	2,040	**–**	–
Total non-current liabilities		**12,603**	10,341	**–**	–
Current liabilities					
Income tax payable		**40**	538	**–**	–
Loans and borrowings	27	**21,261**	11,940	**–**	–
Lease liabilities	21	**3,322**	5,720	**–**	–
Trade and other payables	28	**25,385**	29,061	**3,630**	2,347
Total current liabilities		**50,008**	47,259	**3,630**	2,347
Total liabilities		**62,611**	57,600	**3,630**	2,347
Total equity and liabilities		**104,116**	108,861	**23,544**	23,499

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

Group	Total equity $'000	Attributable to parent sub-total $'000	Share capital $'000	Accumulated losses $'000	Currency translation reserve $'000	Statutory reserve $'000	Share Option reserve $'000	Other reserve $'000	Non-controlling interest $'000
Current year:									
Opening balance at 1 January 2023	**51,261**	**52,627**	**66,666**	**(18,820)**	**(615)**	**1,473**	**3,801**	**122**	**(1,366)**
Changes in equity:									
Total comprehensive loss for the year	**(8,930)**	**(8,792)**	**–**	**(8,792)**	**–**	**–**	**–**	**–**	**(138)**
Exchange difference arising from translation of foreign operations (Note 26B)	**(990)**	**(1,022)**	**–**	**–**	**(1,022)**	**–**	**–**	**–**	**32**
Remeasurement of defined benefit scheme	**90**	**90**	**–**	**90**	**–**	**–**	**–**	**–**	**–**
Transferred to retained earnings (Note 26D)	**–**	**–**	**–**	**3,740**	**–**	**–**	**(3,740)**	**–**	**–**
Share option expenses (Note 26D)	**74**	**74**	**–**	**–**	**–**	**–**	**74**	**–**	**–**
Closing balance at 31 December 2023	**41,505**	**42,977**	**66,666**	**(23,782)**	**(1,637)**	**1,473**	**135**	**122**	**(1,472)**

Group	Total equity $'000	Attributable to parent sub-total $'000	Share capital $'000	Accumulated losses $'000	Currency translation reserve $'000	Statutory reserve $'000	Share Option reserve $'000	Other reserve $'000	Non-controlling interest $'000
Previous year:									
Opening balance at 1 January 2022	65,125	66,347	63,416	(3,360)	962	1,473	3,724	132	(1,222)
Changes in equity:									
Total comprehensive loss for the year	(15,093)	(14,904)	–	(14,904)	–	–	–	–	(189)
Issuance of share capital (Note 25)	3,250	3,250	3,250	–	–	–	–	–	–
Exchange difference arising from translation of foreign operations (Note 26B)	(1,542)	(1,577)	–	–	(1,577)	–	–	–	35
Remeasurement of defined benefit scheme	(556)	(556)	–	(556)	–	–	–	–	–
Share option expenses (Note 26D)	77	77	–	–	–	–	77	–	–
Acquisition of non-controlling interests without a change in control	–	(10)	–	–	–	–	–	(10)	10
Closing balance at 31 December 2022	51,261	52,627	66,666	(18,820)	(615)	1,473	3,801	122	(1,366)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

Company	Total equity $'000	Share capital $'000	Accumulated losses $'000	Share Options reserve $'000
Current year:				
Opening balance at 1 January 2023	**21,152**	**66,666**	**(49,315)**	**3,801**
Changes in equity:				
Total comprehensive loss for the year	**(1,297)**	**–**	**(1,297)**	**–**
Share-based payments plan value of employee services	**59**	**–**	**–**	**59**
Expiry of share options (Note 26C)	**–**	**–**	**3,725**	**(3,725)**
Closing balance at 31 December 2023	**19,914**	**66,666**	**(46,887)**	**135**
Previous year:				
Opening balance at 1 January 2022	31,463	63,416	(35,677)	3,724
Changes in equity:				
Total comprehensive loss for the year	(13,638)	–	(13,638)	–
Share-based payments plan value of employee services	77		–	77
Issuance of share capital	3,250	3,250	–	–
Closing balance at 31 December 2022	21,152	66,666	(49,315)	3,801

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	2023 $'000	2022 $'000
Cash flows from operating activities		
Loss before tax	**(8,134)**	(14,657)
Adjustment for:		
Allowance for inventory obsolescence	**–**	343
Amortisation of intangible assets	**220**	14
Depreciation of land use rights	**52**	57
Depreciation of right-of-use assets	**3,393**	2,523
Depreciation of property, plant and equipment	**3,292**	2,818
Finance costs	**1,875**	1,412
Gain on disposal of property, plant and equipment	**–**	(4)
Loss allowance on amount due from an associate	**–**	9,862
Loss allowance on trade receivables	**2,274**	180
Interest income	**(123)**	(92)
Inventories written off	**–**	30
Share of loss of an associate	**–**	2,753
Share option expenses	**74**	77
Unrealised foreign exchange differences	**(609)**	(276)
Operating cash flows before changes in working capital	**2,314**	5,040
Inventories	**12,087**	3,205
Trade and other receivables	**(13,404)**	15,760
Other non-financial assets	**1,775**	2,526
Trade and other payables	**(4,035)**	(7,384)
Provision for retirement benefit obligations	**90**	(9)
Net cash flows (used in) from operations	**(1,173)**	19,138
Interest received	**77**	23
Income taxes paid	**(1,577)**	(1,328)
Net cash flows (used in) from operating activities	**(2,673)**	17,833
Cash flows from investing activities		
Acquisition of short-term investments	**(4,519)**	(10,114)
Proceeds from disposal of short-term investments	**4,565**	10,183
Acquisition of subsidiary, net of cash acquired	**–**	(2,871)
Proceeds from disposal of property, plant and equipment	**–**	4
Proceeds from disposal of intangible assets	**–**	(394)
Purchase of property, plant and equipment	**(1,810)**	(3,691)
Purchase of intangible assets	**(1,947)**	–
Net cash flows used in investing activities	**(3,711)**	(6,883)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	2023 $'000	2022 $'000
Cash flows from financing activities		
Cash restricted in use	**(351)**	–
Proceeds from bank loans	**94,016**	79,614
Repayment of bank loans	**(82,065)**	(83,998)
Initial payment of obligation under leases	**–**	(3,216)
Repayments of principal of lease liabilities	**(3,595)**	(2,403)
Repayments of interest of lease liabilities	**(439)**	(243)
Interest paid	**(1,436)**	(1,169)
Net cash flows from (used in) financing activities	**6,130**	(11,415)
Net decrease in cash and cash equivalents	**(254)**	(465)
Effect of exchange rate changes on cash and cash equivalents	**(365)**	(121)
Cash and cash equivalents, statement of cash flows, beginning balance	**15,151**	15,737
Cash and cash equivalents, statement of cash flows, ending balance	**14,532**	15,151

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. General

The Company (Registration No: 201432529C) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are those of investment holding and provides management support for its Group's companies. The principal activities of the subsidiaries and associates are disclosed in Notes 17 and 19, respectively, to the financial statements. Related companies in these financial statements refer to members of the GSS Energy Limited Group.

The registered office is: 141 Cecil Street, #07-06 Tung Ann Association Building Singapore 069541. The Company is situated in Singapore.

Macroeconomic conditions related disclosures:

Uncertainties relating to the current economic conditions

The reporting entity continues to face challenges from the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. However, the impact assessment is a continuing process and management will continue to monitor any material changes to future economic conditions. Management continues to focus on cash flow management, including adopting a cautious approach to cost-cutting measures, and actively seeking to enhance the financing facilities. These are expected to provide sufficient cash flows and financial resources to meet its obligations as and when they fall due.

As at 31 December 2023, the Company's current liabilities exceeded its current assets by approximately $2,735,000.

Management has assessed that the going concern assumption is appropriate because the Company's principal liabilities are amount due to a subsidiary of approximately $3,243,000 and therefore, the timing of repayment is within the control of the Company and the risk of being called into default is minimal.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)s") and the related Interpretations to SFRS (I) ("SFRS (I) INT") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Disclosures are made on the accounting policy information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard. It is regarded as material if users of the financial statements would need it to understand other material information in the financial statements. An account balance entity-specific accounting policy and other information is disclosed in the relevant respective account balances in the financial statements. Entity-specific accounting policy and other information that relates to more than one account balance or a class of material transactions is described below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. General (Continued)

Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases. Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

2. Disclosures of material accounting policy and other explanatory information

2A. Material accounting policy and other explanatory information

Disclosures are made on the accounting policy information and other explanatory information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard.

Revenue and income recognition

General - Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods - Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions revenue is recognised as the services are provided.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the reporting entity in an independently administered fund. The entity contributes a fixed percentage of the salary of each participating employee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. **Disclosures of material accounting policy and other explanatory information** (Continued)

2A. **Material accounting policy and other explanatory information** (Continued)

For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Certain component of the reporting entity operates a defined benefit plan for qualifying employees of the components in Indonesia. The net obligation in respect of defined employee benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan, or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. The scheme is constituted as a trust and the assets are kept separate from those of the reporting entity.

The plan exposes the reporting entity to actuarial risks, in particular: (a) Salary risk: any increase in the plan participants' salary will increase the plan's liability. (b) Longevity risk: any increase in the plan participants' life expectancy will increase the plan's liability. (c) Investment risk: if the actual return on plan assets is below the discount rate used in calculating the defined benefit plan liability, a plan deficit will arise; however, the composition of plan assets is balanced enough not to expose the reporting entity to significant concentrations of investment risk. (d) Interest rate risk: a decrease in the bond interest rate will increase the plan liability (however, this is partially counterbalanced by an increase in the return on the plan's debt investments).

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2A. Material accounting policy and other explanatory information (Continued)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such a reporting entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. For items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). The estimated useful lives are as follows:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. **Disclosures of material accounting policy and other explanatory information** (Continued)

2A. **Material accounting policy and other explanatory information** (Continued)

Machinery, furniture and equipment	–	3 to 10 years
Leasehold buildings	–	20 years
Leasehold improvements	–	5 to 10 years
Motor vehicles	–	4 years
Construction in progress	–	Not depreciated until the asset is ready for intended use
Tooling in progress	–	Not depreciated until the asset is ready for intended use

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The estimated useful lives are as follows:

Leasehold lands, office premises and warehouse	–	1 to 5 years
Machinery	–	6 years

Land use rights

Land use rights under operating leases are initially stated at cost. Following initial recognition, land use rights are measured and carried at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2A. Material accounting policy and other explanatory information (Continued)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2A. Material accounting policy and other explanatory information (Continued)

Non-controlling interest

There are no subsidiaries with non-controlling interests that are considered material to the reporting entity.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

Intangible assets other than goodwill

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Computer software	–	3 to 10 years
Intellectual properties	–	10 years
Development cost		Not depreciated until the asset is ready for intended use

The development cost pertains to the design, research and development of electric vehicles and battery pack technologies.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2A. Material accounting policy and other explanatory information (Continued)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Categories of financial assets and liabilities:

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At the end of the reporting year, the reporting entity had the following categories of financial assets and liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

- Financial liabilities are categorised as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2A. Material accounting policy and other explanatory information (Continued)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessing the impairment of goodwill:

The amount of goodwill is tested annually for impairment. This annual impairment test is material and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. Small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates. The carrying amount is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Disclosures of material accounting policy and other explanatory information (Continued)

2B. Critical judgements, assumptions and estimation uncertainties (Continued)

Assessing expected credit loss allowance on trade receivables:

The assessment of the expected credit losses (ECL) requires a degree of estimation and judgement. In measuring the expected credit losses. Management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 22.

Assessing loss allowance on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at the end of the reporting year is disclosed in Note 20.

Assessing defined benefit plan:

The expenses, assets and liabilities of the defined benefit plan managed by the Group are determined using methods relying on actuarial estimates and assumptions Details of the key assumptions are disclosed in Note 29. The Group engaged an independent actuarial experts to review the appropriateness of the assumptions and estimates. Changes in the assumptions used may have a significant effect on the consolidated statement of comprehensive income and the consolidated statement of financial postion. The carrying amount is disclosed in Note 29.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Related party transactions and balances

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the information disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3. Related party relationships and transactions (Continued)

3A. Related party transactions and balances (Continued)

Significant related party transactions:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Subsidiaries:				
Management fee income	**–**	–	**180**	270
Management fee expenses	**–**	–	**(129)**	(87)
Interest expenses	**–**	–	**(130)**	–

3B. Key management compensation:

	Group	
	2023	2022
	$'000	$'000
Directors' fees	**116**	116
Salaries and other short-term employee benefits	**1,875**	2,248
Post employment benefits	**103**	130
Other long-term benefits	**74**	62
	2,168	2,556
Fees to a Company in which a director has an interest	**1,345**	1,331
Fees to a firm in which a director is a member	**823**	1,225
	2,168	2,556

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

3C. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements. The movements in other receivables from and other payables to related parties are as follows:

	Subsidiaries	
	2023	2022
Company	**$'000**	$'000
Other receivables (Note 22)	**7,025**	7,052
Other payables (Note 28)	**(3,243)**	(2,147)

	Related party	
	2023	2022
Group	**$'000**	$'000
Other receivables (Note 22)	**274**	276

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Financial information by operating segments

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes the reporting entity is organised into major strategic operating segments that offer different products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group's reportable segments are organised on a regional basis into three main operating businesses, namely:

1) Mechanisms division

2) Microshafts division

3) Electric vehicle division

Mechanisms division provides advanced production technology to multi-national manufacturers in the field of home and car audio entertainment, communication, computer and office automation industries and medical industries.

Microshafts division concentrates on the manufacturing of high precision shafts.

Electric vehicle division concentrates on design, manufacture and distribution of electronic vehicles including spare parts.

Unallocated segment includes marketing and provision of sales support services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those used by the reporting entity.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Financial information by operating segments (Continued)

4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

	Mechanisms $'000	Microshafts $'000	Electric vehicle $'000	Unallocated segment $'000	Eliminations $'000	Group $'000
Continuing operations 2023						
Revenue by segment						
External customers	100,211	17,945	42	–	–	118,198
Intersegment revenues	16,966	2,171	104	180	(19,421)	–
	117,177	20,116	146	180	(19,421)	118,198
Results:						
Operating profit/(loss)	2,596	(234)	(3,081)	(1,167)	(4,496)	(6,382)
Interest income						123
Finance costs						(1,875)
Loss before tax from continuing operations						(8,134)
Income tax expense						(796)
Loss from continuing operations						(8,930)
Segment assets and liabilities						
Segment assets	68,157	20,862	14,975	122	–	104,116
Total assets						104,116
Segment liabilities	55,541	4,688	2,028	354	–	62,611
Total liabilities						62,611
Other segment information						
Addition to property, plant and equipment	568	256	986	–	–	1,810
Addition to intangible assets	4	–	1,943	–	–	1,947
Depreciation and amortisation	(5,321)	(1,215)	(419)	(2)	–	(6,957)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Financial information by operating segments (Continued)

4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

	Mechanisms $'000	Microshafts $'000	Electric vehicle $'000	Unallocated segment $'000	Eliminations $'000	Group $'000
Continuing operations 2022						
Revenue						
External customers	109,697	19,988	6	–	–	129,691
Intersegment revenues	2,287	28,248	–	270	(30,805)	–
	111,984	48,236	6	270	(30,805)	129,691
Results:						
Operating profit/(loss)	687	1,328	(1,569)	(11,030)	–	(10,584)
Interest income						92
Finance costs						(1,412)
Share of loss of an associate						(2,753)
Loss before tax from continuing operations						(14,657)
Income tax expense						(436)
Loss from continuing operations						(15,093)
Segment assets and liabilities						
Segment assets	79,121	18,408	11,215	117	–	108,861
Total assets						108,861
Segment liabilities	51,204	4,695	1,498	203	–	57,600
Total liabilities						57,600
Other segment information						
Addition to property, plant and equipment	2,158	515	1,018	–	–	3,691
Addition to right-of-use assets	11,753	–	–	–	–	11,753
Addition to intangible assets	2	54	338	–	–	394
Depreciation and amortisation	4,162	1,080	169	1	–	5,412
Inventories written off	–	30	–	–	–	30

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Financial information by operating segments (Continued)

4B. Geographical information

Segments	Mechanisms		Microshafts		Electric vehicle		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Primary geographical markets								
Indonesia	**79,467**	89,603	**651**	896	**1**	–	**80,119**	90,499
Europe	**–**	–	**1,093**	–	**–**	–	**1,093**	–
China	**2,112**	1,096	**6,733**	5,606	**30**	–	**8,875**	6,702
Singapore	**11,854**	15,726	**856**	2,193	**9**	–	**12,719**	17,919
Italy	**–**	–	**1,828**	2,435	**–**	–	**1,828**	2,435
Germany	**88**	72	**1,624**	1,591	**–**	–	**1,712**	1,663
Malaysia	**118**	43	**1,012**	1,236	**–**	–	**1,130**	1,279
Japan	**1,205**	1,152	**48**	60	**–**	–	**1,253**	1,212
United State of America	**10**	16	**925**	577	**–**	–	**935**	593
Thailand	**–**	–	**319**	604	**2**	–	**321**	604
Romania	**568**	455	**35**	46	**–**	–	**603**	501
Hong Kong	**2,461**	–	**10**	–	**–**	–	**2,471**	–
Taiwan	**1,638**	–	**–**	–	**–**	–	**1,638**	–
Others	**690**	1,534	**2,811**	4,744	**–**	6	**3,501**	6,284
	100,211	109,697	**17,945**	19,988	**42**	6	**118,198**	129,691
Type of good or services								
Sale of goods	**88,258**	98,885	**17,945**	19,988	**42**	6	**106,245**	118,879
Services rendered	**11,953**	10,812	**–**	–	**–**	–	**11,953**	10,812
	100,211	109,697	**17,945**	19,988	**42**	6	**118,198**	129,691

Revenue are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services.

	Non-current assets		Additions to non-current assets	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Primary geographical markets				
Singapore	**15,092**	12,465	**4,160**	5,235
Indonesia	**18,778**	20,956	**514**	2,315
China	**5,668**	5,941	**256**	465
Thailand	**6,792**	7,823	**139**	7,823
Other countries	**58**	507	**–**	–
	46,388	47,692	**5,069**	15,838

The non-current assets are analysed by the geographical area in which the assets are located.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. **Financial information by operating segments** (Continued)

4C. Information about major customers

	Group	
	2023 **$'000**	2022 $'000
Top 1 customer in more than one segment	**71,614**	84,292
Top 2 customers in more than one segment	**77,528**	90,360
Top 3 customers in more than one segment	**80,407**	93,653

5. Revenue

	Group	
	2023 **$'000**	2022 $'000
Sale of goods	**106,245**	118,879
Services	**11,953**	10,812
	118,198	129,691

The revenue from sale of goods is recognised based on point in time. The customers are retailers and wholesalers**.** A large portion of the goods is exported.

The revenue from services is recognised based on point in time. The contracts are less than 12 months.

6. Other income and gains and (other losses)

	Group	
	2023 **$'000**	2022 $'000
Impairment loss allowance on trade receivables – loss	**(2,274)**	(180)
Impairment loss allowance on other receivables – loss	**–**	(9,862)
Foreign exchange translation gains losses	**(93)**	–
Gain on disposal of plant and equipment	**–**	4
Government grants	**109**	479
Interest income	**123**	92
Income from disposal of scrap materials	**175**	199
Sale of circuit boards	**89**	77
Cost recovery for freight claims with customers	**175**	102
Others	**131**	29
Net	**(1,565)**	(9,060)
Presented in profit or loss as:		
Other income and gains	**802**	982
Other losses	**(2,367)**	(10,042)
Net	**(1,565)**	(9,060)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the Notes to the financial statements, this item includes the following expenses:

	Group	
	2023	2022
	$'000	$'000
Cost of sales includes the following:		
Costs of inventories expensed	**75,789**	82,601

	Group	
	2023	2022
	$'000	$'000
Distribution costs includes the following:		
Employee benefits expense (Note 9)	**6,967**	7,562

	Group	
	2023	2022
	$'000	$'000
Administrative expenses includes the following:		
Employee benefits expense (Note 9)	**2,074**	3,588
Audit fees to the independent auditor of the company	**218**	184
Audit fees to the other independent auditors - network firms	**60**	57
Audit-related services (ARS) fees to the independent auditor of the company	**10**	–
Professional fees	**483**	366

8. Finance costs

	Group	
	2023	2022
	$'000	$'000
Interest expense	**1,436**	1,169
From lease liabilities	**439**	243
Total finance costs	**1,875**	1,412

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

9. Employee benefits expense

	Group	
	2023	2022
	$'000	$'000
Short term employee benefits expense	**20,928**	22,275
Contributions to defined contribution plan	**2,440**	2,207
Defined benefit plan	**201**	202
Employee share options expense	**74**	77
Other benefits	**800**	1,259
Total employee benefits expense	**24,443**	26,020
Allocation of the employee benefits expense:		
Cost of sales	**15,402**	14,870
Distribution costs	**6,967**	7,562
Administrative expenses	**2,074**	3,588
Total	**24,443**	26,020

10. Income tax

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2023	2022
	$'000	$'000
Current tax expense:		
Current tax expense	**595**	602
Under adjustments in respect of prior periods	**323**	340
Sub-total	**918**	942
Deferred tax income:		
Deferred tax income	**(122)**	(509)
Under adjustments in respect of prior periods	**–**	3
Subtotal	**(122)**	(506)
Total income tax expense	**796**	436

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit or loss before income tax as a result of the following differences:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10. Income tax (Continued)

10A. Components of tax expense recognised in profit or loss include: (Continued)

	Group 2023 $'000	Group 2022 $'000
Loss before tax	**(8,134)**	(14,657)
Share of loss from equity-accounted associate	**–**	2,753
	(8,134)	(11,904)
Income tax income at the above rate	**(1,383)**	(2,024)
Not deductible items	**850**	2,588
Income not subject to tax	**(1)**	(147)
Effects of different tax rates in different countries	**52**	(138)
Witholding tax	**70**	–
Stepped income exemption	**(10)**	(34)
Under adjustments to tax in respect of previous years	**323**	343
Deferred tax assets not recognised	**462**	72
Enhanced tax reduction	**–**	(235)
Others	**433**	11
Total income tax expense	**796**	436

There are no income tax consequences of dividends to owners of the Company.

10B. Deferred tax assets

Movements in deferred tax assets are as follows:

	Group 2023 $'000	Group 2022 $'000
Balance at beginning of the year	**563**	37
Credit to profit or loss	**160**	506
Foreign exchange adjustments	**(24)**	20
Balance at end of the year	**699**	563

Deferred tax assets are attributable to the following temporary differences:

	Group 2023 $'000	Group 2022 $'000
Unutilised tax losses	**699**	563

10. Income tax (Continued)

10B. Deferred tax assets (Continued)

Deferred tax assets are attributable to temporary differences arising from unutilised tax losses of approximately $2,435,000 (2022: $2,043,000) which are available for set-off against future taxable profits subject to the agreement by the tax authorities and provisions of tax legislations of the People's Republic of China (the "PRC"). The expiry date for tax losses arising in certain foreign tax jurisdiction is as follows:

		Group	
Year incurred	**Year of expiry**	**2023 $'000**	2022 $'000
2018	2028	**98**	108
2019	2029	**37**	40
2022	2032	**1,870**	1,895
2023	2033	**430**	–
		2,435	2,043

10C. Deferred tax liabilities

Movements in deferred tax liabilities are as follows:

	Group	
	2023 $'000	2022 $'000
Balance at beginning of financial year	**(322)**	(108)
Charged to profit or loss	**38**	–
Acquisition of subsidiary (Note 18)	**–**	(214)
Balance at end of financial year	**(284)**	(322)

As at 31 December 2023, total unremitted earnings of certain subsidiaries in the PRC and Indonesia amounted to approximately $17,980,000 (2022: $$21,948,000). Management estimates that unremitted earnings of $1,628,000 will be distributed as dividends in the foreseeable future. As at 31 December 2023, a deferred tax liability of approximately $81,000 (2022: $108,000) was recognised on the withholding tax that would be payable.

No deferred tax liabilities have been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries, as the management does not expect the subsidiaries to distribute its earnings in the foreseeable future. Unremitted earnings of these subsidiaries totalled $16,352,000 (2022: $19,782,000) as at 31 December 2023.

10D. Unrecognised deferred tax assets

	Group	
	2023 $'000	2022 $'000
At beginning of financial year	**285**	213
Deferred tax assets not recognised during the financial year	**462**	72
At end of financial year	**747**	285

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10. Income tax (Continued)

10D. Unrecognised deferred tax assets (Continued)

Unrecognised deferred tax assets is attributable to:

	Group	
	2023	2022
	$'000	$'000
Unutilised tax losses	**747**	285

At the end of the financial year, the Group had unutilised tax losses of approximately $4,219,000 (2022: $1,500,000) which is available for set-off against future taxable profits. These deferred tax assets have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits.

The realisation of the future income tax benefits from unutilised tax loss is available for an unlimited future period and subject to the conditions imposed by law including the retention of majority shareholders.

11. Losses per share

The following table illustrates the numerators and denominators used to calculate basic and diluted losses per share of no par value:

	Group	
	2023	2022
	$'000	$'000
Loss, net of tax attributable to owners of the Company	**8,792**	14,904

	Number of shares	
	2023	2022
	'000	'000
Weighted average number of equity shares	**630,192**	618,000

The weighted average number of equity shares refers to shares in circulation during the reporting year.

Basic loss per share are calculated by dividing loss, net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during each reporting year.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

The diluted loss per share for the financial years ended 31 December 2023 and 2022 are the same as the basic loss per share as the potential ordinary shares as disclosed in Note 25 to the financial statements are anti-dilutive because the average market prices during the respective periods were below the respective exercise prices.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

12. Property, plant and equipment

Group	Machinery, furniture and equipment $'000	Leasehold buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Construction in progress $'000	Tooling in progress $'000	Total $'000
Cost:							
At 1 January 2022	47,964	4,691	6,558	582	13,251	–	73,046
Additions	2,450	–	29	31	450	731	3,691
Write off / disposals	(164)	–	–	(32)	–	–	(196)
Reclassifications	70	–	–	–	–	–	70
Foreign exchange adjustments	(1,220)	(406)	(69)	(11)	(100)	(11)	(1,817)
At 31 December 2022	49,100	4,285	6,518	570	13,601	720	74,794
Additions	824	–	382	78	–	526	1,810
Write off / disposals	(301)	–	(74)	–	–	–	(375)
Reclassifications	896	11,593	2,008	–	(13,601)	(896)	–
Foreign exchange adjustments	(438)	(174)	(103)	(11)	–	(17)	(743)
At 31 December 2023	**50,081**	**15,704**	**8,731**	**637**	**–**	**333**	**75,486**
Accumulated depreciation:							
At 1 January 2022	42,380	1,054	5,583	544	–	–	49,561
Depreciation for the year	2,286	228	268	36	–	–	2,818
Write off / disposals	(164)	–	–	(32)	–	–	(196)
Foreign exchange adjustments	(1,039)	(104)	(62)	(9)	–	–	(1,214)
At 31 December 2022	43,463	1,178	5,789	539	–	–	50,969
Depreciation for the year	2,152	711	391	38	–	–	3,292
Write off / disposals	(301)	–	(74)	–	–	–	(375)
Foreign exchange adjustments	(830)	(62)	(99)	(23)	–	–	(1,014)
At 31 December 2023	**44,484**	**1,827**	**6,007**	**554**	**–**	**–**	**52,872**
Carrying value:							
At 1 January 2022	5,584	3,637	975	38	13,251	–	23,485
At 31 December 2022	5,637	3,107	729	31	13,601	720	23,825
At 31 December 2023	**5,597**	**13,877**	**2,724**	**83**	**–**	**333**	**22,614**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

12. Property, plant and equipment (Continued)

Allocation of the depreciation expense:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cost of sales	**2,958**	2,502	**–**	–
Administrative expenses	**302**	177	**2**	1
Marketing and distribution expenses	**32**	139	**–**	–
Total	**3,292**	2,818	**2**	1

Certain items are under finance lease agreements (see Note 21).

13. Intangible assets

Group	**Computer software $'000**	**Development cost $'000**	**Intellectual properties $'000**	**Total $'000**
Cost:				
At 1 January 2022	250	–	–	250
Additions	230	104	60	394
Acquisition of subsidiary (Note 17)	–	–	1,065	1,065
Foreign exchange adjustments	(9)	–	–	(9)
At 31 December 2022	471	104	1,125	1,700
Additions	4	1,929	14	1,947
Disposal	(22)	–	–	(22)
Foreign exchange adjustments	(6)	(1)	2	(5)
At 31 December 2023	**447**	**2,032**	**1,141**	**3,620**
Accumulated depreciation:				
At 1 January 2022	242	–	–	242
Amortisation	12	–	2	14
Foreign exchange adjustments	(3)	–	–	(3)
At 31 December 2022	251	–	2	253
Amortisation	28	–	192	220
Disposal	(22)	–	–	(22)
Foreign exchange adjustments	(1)	–	1	–
At 31 December 2023	**256**	**–**	**195**	**451**
Net book value:				
At 1 January 2022	8	–	–	8
At 31 December 2022	220	104	1,123	1,447
At 31 December 2023	**191**	**2,032**	**946**	**3,169**

The amortisation is included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

14. Land use rights

	Group 2023 $'000	Group 2022 $'000
Cost		
At beginning of the year	**1,600**	1,752
Foreign exchange adjustments	**(65)**	(152)
At end of the year	**1,535**	1,600
Accumulated amortisation		
At beginning of the year	**391**	370
Amortisation for the year	**52**	57
Foreign exchange adjustments	**(17)**	(36)
At end of the year	**426**	391
Carrying value		
At beginning of the year	**1,209**	1,382
At end of the year	**1,109**	1,209

The land use rights relate to a parcel of land located in the People's Republic of China and have remaining tenure of 41 years (2022: 42 years).

15. Right-of-use assets

The right-of-use assets in the statement of financial position are as follows:

Group	Leasehold lands, office premise and warehouse $'000	Machinery $'000	Total $'000
Carrying value			
At 1 January 2022	4,065	1,668	5,733
Additions	161	11,592	11,753
Lease modification	121	–	121
Reclassified to property, plant and equipment*	–	(70)	(70)
Amortisation expense	(1,151)	(1,372)	(2,523)
Foreign exchange adjustments	(4)	(306)	(310)
At 31 December 2022	3,192	11,512	14,704
Additions	1,306	–	1,306
Amortisation charge	(1,125)	(2,268)	(3,393)
Foreign exchange adjustments	(187)	(140)	(327)
At 31 December 2023	**3,186**	**9,104**	**12,290**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15. Right-of-use assets (Continued)

Allocation of the depreciation expense:

	2023 $'000	2022 $'000
Cost of sales	**2,313**	2,319
Distribution costs	**200**	175
Administrative expenses	**880**	29
Total	**3,393**	2,523

16. Goodwill

	Group	
	2023 $'000	2022 $'000
Cost:		
Balance at beginning of the year	**6,507**	112
Arising from acquisition of subsidiaries	**–**	6,395
Balance at end of the year	**6,507**	6,507

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Each of those CGU represents the Group's investment by each primary reporting segment as follows:

	2023 $'000	2022 $'000
Microshafts	**112**	112
Electric vehicle	**6,395**	6,395
Total	**6,507**	6,507

The goodwill was tested for impairment at the end of the reporting year. No impairment allowance was required because the carrying amounts of the CGU was lower than their estimated recoverable amounts. The recoverable amounts of CGU has been measured based on the value in use method.

The value in use was measured by a firm of independent financial advisers. The key assumptions for the value in use calculations are as follows. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed. The key assumptions for the value in use calculations are as follows:-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

16. **Goodwill** (Continued)

	Group	
	2023	2022
CGU – Electric vehicle Discounted cash flow method:		
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	**60.00%**	17.95%
Growth rates based on industry growth forecasts for revenue and not exceeding the average long-term growth rate for the relevant markets.	**110.32%**	260.00%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	**5 years**	5 years
Terminal growth rate	**1.8%**	0.5%

Management believes that any reasonably possible change in the key assumptions on which this segment's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

Actual outcomes could vary from these estimates. If the revised estimated earnings before income and tax has been 10% less favourable than management's estimates, the management would need to reduce the carrying amount of goodwill by approximately $290,000.

17. **Investments in subsidiaries**

	Company	
	2023 $'000	2022 $'000
Unquoted equity investment at cost	**16,340**	16,343
Deemed investment in a subsidiary*	**59**	77
Allowance for impairment loss	**–**	(80)
	16,399	16,340

* *Relates to share options granted to subsidiary's employees*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17. Investments in subsidiaries (Continued)

Details of the subsidiary corporations are listed below:

Name of subsidiary, principal activities, and country of business / incorporation	Proportion of ownership interest	
	2023	2022
	%	%
Held by the Company		
Giken Sakata (S) Limited [(1)]		
Manufacture and sale of microshafts and other precision parts and assembly of mechanisms used in computers and a range of electronic products	**100**	100
(Singapore)		
Giken Motors Asia Pacific Pte. Ltd [(1)] [(5)]	**–**	100
Dormant		
(Singapore)		
Held by Giken Sakata (S) Limited		
Changzhou Giken Precision Co., Ltd.[(3)]	**100**	100
Manufacture and sale of microshafts and other precision parts		
(People's Republic of China)		
Giken Precision Engineering (S) Pte. Ltd.[(1)]	**100**	100
Manufacture of basic precious and non-ferrous metal products		
(Singapore)		
P.T. Giken Precision Indonesia [(2)]	**100**	100
Assembly of mechanisms and manufacture of precision parts used in computers and a range of electronic products		
(Indonesia)		
Turbo Charge Limited [(4)]	**100**	100
Investment holding		
(British Virgin Island)		
P.T. Giken Technology Indonesia [(4)]	**100**	100
Dormant		
(Indonesia)		
Giken Trading (S) Pte. Ltd.[(1)]	**100**	100
Sale and distribution of consumer electronics and other products		
(Singapore)		
PT Gading Prima Indo [(4)]	**100**	100
Sale and distribution of consumer electronics		
(Indonesia)		
I-Motor Asia Limited [(4)]	**51**	51
Manufacture and distribution of motorcycles		
(British Virgin Island)		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17. Investments in subsidiaries (Continued)

Name of subsidiary, principal activities, and country of business / incorporation	**Proportion of ownership interest**	
	2023	2022
	%	%
Giken Mobility Pte. Ltd.[(1)] Investment holding and manufacture and assembly of motorcycles and scooters (Singapore)	**100**	100
Giken Renewable Energy Solutions Pte. Ltd. [(1)] Dormant (Singapore)	**100**	100
<u>Held by Changzhou Giken Precision Co., Ltd</u>		
Changzhou Giken Technology Co., Ltd.[(3)] Manufacture and sale of moulding parts and assembly of mechanisms used in computers and a range of electronic products (People's Republic of China)	**100**	100
Changzhou Giken Import & Export Co., Ltd[(3)] Export Manufacture and sale of microshafts and other precision parts (People's Republic of China)	**100**	100
<u>Held by Turbo Charge Limited</u>		
Avita-Giken Technology Pte. Charge (S) Pte. Ltd.) [(1)] Sale and distribution of computers and peripheral equipment (Singapore)	**100**	100
<u>Held by I-Motor Asia Limited</u>		
I-Motor Korea Co., Ltd of [(4)] Manufacture and distribution of motor bike (Republic Korea)	**100**	100
<u>Held by Giken Mobility Pte. Ltd.</u>		
Edison Motors Co., Ltd [(4)] Design, manufacture and distribution of electronic vehicles (EV), including spare parts and equipment (Thailand)	**100**	100
Giken Motors Asia Pacific Pte. Ltd [(5)] (formerly known as Nusantara Resources Pte. Ltd.) Dormant (Singapore)	**100**	–

(1) Audited by RSM SG Assurance LLP.

(2) Audited by RSM Indonesia, a member firm of RSM International network firm of which RSM SG Assurance LLP in Singapore is a member.

(3) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliated firm of RSM SG Assurance LLP.

(4) Not audited, as it is not material.

(5) Acquired by Giken Mobility Pte. Ltd. from Giken Sakata (S) Limited during the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18. Acquisition of a subsidiary

On 30 March 2022, a wholly-owned subsidiary, Giken Mobility Pte. Ltd., acquired 100% equity interest in Edison Motors Co., Ltd ("Edison Motors"). Upon the acquisition, Edison Motors became a subsidiary of the Group. The Group has acquired Edison Motors to design and develop electric motorcycles by using Edison Motors's proprietary patented technologies.

The fair values of the identifiable assets and liabilities of Edison Motors as at the date of acquisition are as follows:

	Fair value recognised on date of acquisition $'000
Property, plant and equipment	180
Intellectual properties	1,065
Trade receivables	71
Other receivables and deposits	117
Inventories	24
Cash and cash equivalents	129
	1,586
Other payables and accrued expenses	(517)
Deferred tax liability	(214)
	(731)
Net identifiable assets at fair value	855

	Fair value recognised on date of acquisition $'000
Consideration for acquisition of 100% equity interest	
– Issuance of ordinary shares	3,250
– Cash paid	3,000
– Deferred consideration payable	1,000
Total consideration transferred	7,250
Goodwill (Note 16)	6,395

There is no pre requisition revenue from the acquisition of Edison Motors.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

19. Investment in associates

	Group		Company	
	2023 **$'000**	2022 $'000	**2023** **$'000**	2022 $'000
Movements in carrying value:				
At beginning of the year	**–**	2,791	**–**	2,791
Share of loss for the year	**–**	(2,791)	**–**	–
Movements in carrying value:	**–**	–	**–**	(2,791)
At beginning of the year	**–**	–	**–**	–
Carrying value comprising:				
Unquoted equity shares at cost	**–**	2,791	**–**	2,791
Allowance for impairment	**–**	(2,791)	**–**	(2,791)
	–	–	**–**	–

The listing and information on the associates are given below:

Name of associates, country of incorporation, place of operations, principal activities and independent auditors	**Percentage of equity held by the Group**	
	2023 %	2022 %
GSS Energy Trembul Limited [(1)] Investment holding (British Virgin Island)	**20**	20
Held by GSS Energy Trembul Limited PT Sarana GSS Trembul [(1)] [(2)] Operate in oil and gas exploration (Indonesia)	**89**	89

(1) Not equity accounted as the entities are not material

(2) Although the reporting entity does not own, directly or indirectly through subsidiaries, 20% or more of the voting or potential voting power of the investee, the investee is regarded as an associate because the reporting entity is able to exercise significant influence by virtue of an agreement with the other shareholders of the investee.

The primary business of GSS Energy Trembul Limited ("GETL") and its subsidiary, P.T. Sarana GSS Trembul (Indonesia) ("PTSGT") is in oil and gas industry.

On 22 December 2022, PTSGT notified the Company that PTSGT received a letter from Indonesian state-owned entity ("PT Pertamina") dated 26 September 2022 terminating the Co-operative Agreement ("KSO Agreement") for the Trembul Operating Area with PTSGT, with immediate effect.

PTSGT and the operating partner, Oakhurst Investments Pte Ltd, are still in the midst of appealing against this termination but were unable to successfully obtain an appeal as at date of this financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20. Inventories

	Group	
	2023	2022
	$'000	$'000
Raw material, consumables and supplies	**14,129**	25,620
Work in progress	**1,586**	1,923
Finished goods	**2,580**	2,512
	18,295	30,055
Inventories are stated after allowance. Movements in allowance:		
At beginning of the year	**350**	–
Charged to profit or loss included in other cost of sales	**–**	350
Used	**(99)**	–
Foreign exchange adjustments	**(14)**	–
At end of the year	**237**	350

There are no inventories pledged as security for liabilities.

21. Lease liabilities

The leases are for office premise , warehouse and machinery. The lease contracts are usually for fixed periods of 5 to 36 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The lease liability above does not include the short-term leases and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The right-of-use assets and lease liabilities are in the statement of financial position. The movements are as follows:

	Office space	**Machinery**	**Total**
	$'000	**$'000**	**$'000**
Group:			
At 1 January 2022	4,085	1,040	5,125
Additions	161	8,376	8,537
Lease modification	121	–	121
Accretion of interest	76	167	243
Lease payment – principal and interest portion paid	(1,179)	(1,467)	(2,646)
Foreign exchange adjustments	(4)	(170)	(174)
At 31 December 2022	3,260	7,946	11,206
Additions	1,306	–	1,306
Accretion of interest	127	312	439
Lease payment – principal and interest portion paid	(1,338)	(2,696)	(4,034)
Foreign exchange adjustments	(174)	(58)	(232)
At 31 December 2023	3,181	5,504	8,685

21. Lease liabilities (Continued)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2023	2022
	$'000	$'000
Lease liabilities, current	**3,322**	5,720
Lease liabilities, non-current	**5,363**	5,486
	8,685	11,206

A summary of the maturity analysis of lease liabilities is disclosed in Note 30E. Total cash outflows from leases are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 1.6% to 4.5 % (2022: 1.6% to 4.5 %) per year.

Other disclosures on leases:

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2023	2022
	$'000	$'000
Expense relating to short-term leases included in other expenses	**28**	28

NOTES TO THE FINANCIAL STATEMENTS

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22. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade receivables:				
Outside parties	**23,620**	10,624	**–**	–
Allowance for impairment loss	**(2,378)**	(180)	**–**	–
Related party	**655**	655	**–**	–
Net trade receivables – subtotal	**21,897**	11,099	**–**	–
Other receivables:				
Outside parties	**291**	162	**8**	5
Related party (Note 3)	**274**	276	**–**	–
Subsidiaries (Note 3)	**–**	–	**7,025**	7,052
Associate	**9,866**	9,862	**9,866**	9,862
Allowance for impairment loss	**(9,866)**	(9,862)	**(9,866)**	(9,862)
Net other receivables – subtotal	**565**	438	**7,033**	7,057
Total trade and other receivables	**22,462**	11,537	**7,033**	7,057
Movements in above allowance on trade receivables:				
At beginning of the year	**(180)**	–	**–**	–
Charge for trade receivables to profit or loss included in other losses	**(2,274)**	(180)	**–**	–
Foreign exchange adjustments	**76**	–	**–**	–
At end of the year	**(2,378)**	(180)	**–**	–
Movements in above allowance on other receivables:				
At beginning of the year	**(9,862)**	–	**(9,862)**	–
Charge for other receivables to profit or loss included in other losses	**–**	(9,862)	**–**	(9,862)
Foreign exchange adjustments	**(4)**	–	**(4)**	–
At end of the year	**(9,866)**	(9,862)	**(9,866)**	(9,862)
Presented as:				
Other receivables, non-current	**–**	–	**6,250**	6,250
Trade and other receivables, current	**22,462**	11,537	**783**	807
	22,462	11,537	**7,033**	7,057

The non-current amount due from a subsidiary is non-interest bearing, has no fixed terms of repayment and is expected to be settled in cash.

The expected credit losses ("ECL") on the above trade receivables are based on the simplified approach to measuring expected credit losses which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the current economic conditions. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22. Trade and other receivables (Continued)

The ageing of the assets is as follows:

	Gross amount		Loss allowance	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Group				
Trade receivables:				
Within due date	**15,983**	3,657	**855**	–
1 to 30 days past due	**3,826**	2,339	**–**	–
31 to 60 days past due	**789**	1,743	**–**	–
61 to 90 days past due	**1,540**	1,341	**1,343**	–
Over 90 days past due	**2,137**	2,199	**180**	180
Total	**24,275**	11,279	**2,378**	180

The loss allowance disclosed above totalling $2,378,000 (2022: $180,000) is based on individual accounts that are determined to be impaired at the end of the reporting year.

There are no collateral held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2022: 30 to 90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2023	2022
	$'000	$'000
Top 1 customer	**13,244**	2,382
Top 2 customers	**14,642**	2,968
Top 3 customers	**15,811**	3,424

The other receivables shown above are subject to the expected credit loss (ECL) allowance assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of any expected 12 month expected credit losses. At the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, management accounts and cash flow projections and available published information about debtors that is available without undue cost or effort) and applying experienced credit judgement.

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23. Other non-financial assets

	Group		Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Prepayments	**339**	481	**5**	12
Advances to suppliers	**1,236**	2,895	**–**	–
Deposits to secure services	**513**	487	**–**	–
	2,088	3,863	**5**	12

24. Cash and cash equivalents

	Group		Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Not restricted in use	**14,532**	15,151	**106**	88
Cash pledged for bank facilities #a	**351**	–	**–**	–
Cash at end of the year	**14,883**	15,151	**106**	88

The interest earning balances are not significant.

#a. This is for amounts held by a bank to cover the bank facilities issued (see Note 27).

24A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2023 $'000	2022 $'000
Amount as shown above	**14,883**	15,151
Cash pledged for bank facilities	**(351)**	–
Cash and cash equivalents for statement of cash flows purposes at end of the year	**14,532**	15,151

24B. Reconciliation of movement of liabilities to cash flows arising from financing activities:

Group	**2022 $'000**	**Cash flows $'000**	**Non-cash changes $'000**	**2023 $'000**
Lease liabilities	11,206	(4,034)	1,513 (a)	8,685
Loans and borrowings	14,388	11,951*	(349)	25,990
Total liabilities from financing activities	25,594	7,917	1,164	34,675

* Reflected in consolidated statement of cash flows as increase in loans and borrowings $94,016,000 and loans and borrowings paid $82,065,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24. Cash and cash equivalents (Continued)

24B. Reconciliation of movement of liabilities to cash flows arising from financing activities: (Continued)

Group	2021 $'000	Cash flows $'000	Non-cash changes $'000	2022 $'000
Lease liabilities	5,125	(1,685)	7,766 [(a)]	11,206
Loans and borrowings	18,494	(4,384)*	278	14,388
Total liabilities from financing activities	23,619	(6,069)	5,523	25,594

* Reflected in consolidated statement of cash flows as increase in loans and borrowings $79,614,000 and loans and borrowings paid $83,998,000.

(a) Accretion of interest, additions and foreign exchange adjustments during the year.

25. Share capital

	Number of shares issued	Share capital $'000
Group and Company		
Ordinary shares of no par value:		
At beginning of the year 1 January 2022	580,192	63,416
Issue of shares at 6.50 cents each	50,000	3,250
Balance at end of the year 31 December 2022 and 2023	**630,192**	**66,666**

On 30 March 2022, the Company issued 50,000,000 new ordinary shares for the acquisition of Edison Motors Co., Ltd (Note 18).

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year.

The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

25. Share capital (Continued)

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt-to-adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2023 **$'000**	2022 $'000
Net debt:		
All current and non-current borrowings excluding lease liabilities	**25,990**	14,428
Less cash and cash equivalents	**(14,883)**	(15,151)
Net debt	**11,107**	(723)
Adjusted capital (less goodwill and intangible assets)	**17,731**	26,831
Debt-to-adjusted capital ratio	**62.64%**	N.M

N.M.: Not meaningful

26. Other reserves

	Group		Company	
	2023 **$'000**	2022 $'000	**2023** **$'000**	2022 $'000
Equity non-controlling interest (Note 26A)	**122**	122	**–**	–
Foreign currency translation reserve (Note 26B)	**(1,637)**	(615)	**–**	–
Statutory reserve (Note 26C)	**1,473**	1,473	**–**	–
Share options reserve (Note 26D)	**135**	3,801	**135**	3,801
	93	4,781	**135**	3,801

All the reserves classified on the face of the statements of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

26A Equity non controlling interest

The equity non controlling interest is the effect of translation with non controlling interest where there is no change in control

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

26. Other reserve (Continued)

26B Foreign currency translation reserve

	Group	
	2023 **$'000**	2022 $'000
At beginning of the year	**(615)**	962
Loss on exchange differences on translating foreign operations	**(1,022)**	(1,577)
At end of the year	**(1,637)**	(615)

26C. Statutory reserve

	Group	
	2023 **$'000**	2022 $'000
At beginning and end of the year	**1,473**	1,473

The subsidiaries in the People's Republic of China are required by local regulation to appropriate 10% of the profits each year to a non-distributable statutory reserve. Contribution to this reserve is no longer mandatory when the reserve reaches 50% of the registered share capital. The use of the funds in the non-distributable statutory reserve is subject to approval by the relevant authorities in the People's Republic of China.

26D. Share option reserve

	Group	
	2023 **$'000**	2022 $'000
Balance at beginning of the year	**3,801**	3,724
Share option expense	**74**	77
Transferred to retained earnings	**(3,740)**	–
Balance at end of the year	**135**	3,801

The share options reserve represents the value of service receive from employees of the Group and the Company relating to equity settled share-based payment transactions.

The Board of Directors and GSS Energy Limited Executives Share Option Scheme Committee approved and granted two equity-settled share based payment option to Directors of the Company, Directors of the subsidiaries and certain senior management to subsribe for ordinary shares of the Company. Options are excercised at a price based on the average of the last done prices for the shares of the Company on the Singapore Exchange Securities Trading limited on the grant date; or may at its discretion fix the excerice price at a discount not exceeding 20% of the above price. If the options, after the vesting period, remain unexercised before the expiry date, the options expire. The options will lapse or forfeited id the individual leaves before the options vest.

The share option reserve is not material.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

27. Loans and borrowings

	Group	
	2023 **$'000**	2022 $'000
Non-current:		
Financial instruments with fixed interest rates:		
Bank loan (secured) (Note 27A)	**4,729**	2,448
Total non-current portion	**4,729**	2,448
Current portion:		
Financial instruments with fixed interest rates:		
Trust receipts and bills payable to bank (Note 27B)	**14,130**	6,532
Bank loan (secured) (Note 27A)	**7,131**	5,408
Total current portion	**21,261**	11,940
Total non-current and current	**25,990**	14,388

The non-current portion is repayable as follows:

	Group	
	2023 **$'000**	2022 $'000
Due within 2 to 5 years	**4,729**	2,505

The range of fixed interest rates paid was as follows:

	Group	
	2023	2022
Invoice financing and trust receipts	**5.40% to 7.40%**	**5.40**% to 6.59%
Bank loans	**2.07% to 7.10%**	**2.07**% to 5.66%

27A. Bank loans (secured)

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

1. Corporate guarantee from the Company.
2. Subject to certain financial covenants.
3. The bank loans comprise of:
   a. Short term borrowings with a maturity period of 1 to 6 months and are settled at the end of maturity period.
   b. Term loans which are repayable monthly over 48 to 60 months.

27. Loans and borrowings (Continued)

27B. Invoice financing and trust receipts

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

1. Corporate guarantee from the Company.
2. The trust receipts are repayable within a period of 1 to 6 months.

28. Trade and other payables

	Group		Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Trade payables:				
Outside parties and accrued liabilities	**22,410**	24,328	**–**	179
Net trade payables – subtotal	**22,410**	24,328	**–**	179
Other payables:				
Outside parties	**1,276**	2,915	**387**	21
Subsidiary	**–**	–	**3,243**	2,147
Advance received	**1,654**	801	**–**	–
Deferred consideration [a]	**–**	1,000	**–**	–
Deferred grant income [b]	**71**	62	**–**	–
Net other payables – subtotal	**3,001**	4,778	**3,630**	2,168
Total trade and other payables	**25,411**	29,106	**3,630**	2,168
Presented as:				
Other payables, non-current	**26**	45	**–**	–
Trade and other payables, current	**25,385**	29,061	**3,630**	2,347
	25,411	29,106	**3,630**	2,347

[a] Deferred consideration payable represents agreed consideration to be paid 12 months from the date of acquisition of Edison Motors (Note 18).

[b] The non-current other payables pertains to deferred grant income relating to Job Redesign Grant for the purchase of an asset. It is recognised as deferred grant income and amortised to profit or loss over the expected useful life of the relevant asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

29. Retirement benefit obligations

	Group	
	2023	2022
	$'000	$'000
Retirement gratuities	**218**	216
Employee service entitlement benefits	**1,983**	1,824
	2,201	2,040

Retirement gratuities

Retirement gratuities are calculated based on employment scheme according to Japanese Expatriates Termination Handbook.

	Group	
	2023	2022
	$'000	$'000
At beginning of the year	**216**	214
Foreign exchange adjustments	**2**	2
Balance at end of the year	**218**	216

Employee service entitlement benefits

The Group has defined benefit plan (the "Plan") and made provision for employee benefits for all its permanent employees of a subsidiary as required under the Government Regulation No.35 of 2021 concerning Job Creation. The number of employees entitled to the benefits as at 31 December 2023 is 242 (2022: 247).

The Plan is funded by P.T. Giken Precision Indonesia ("GPI") contribute a certain percentage of employee salaries to P.T. Asuransi Jiwa Manulife Indonesia ("Manulife"). The fund is administered by Manulife.

The principal actuarial assumptions used for the purpose of the actuarial valuation at the end of the reporting year were as follows:

	Group	
	2023	2022
Discount rate	**6.66%**	**7.06%**
Expected rate of salary increases	**5.0%**	**5.0%**
Average longevity at retirement age for current and future pensioners	**TM IV 2019**	TM IV 2019

The assumptions relating to longevity used to compute the defined benefit obligation liabilities are based on best estimate of the mortality of plan members both during and after employment based on the published mortality tables commonly used by the actuarial profession in each territory concerned.

The amounts recognised in the profit or loss are allocated to administrative expenses.

	Group	
	2023	2022
	$'000	$'000
Included in administrative expenses	**240**	202
Total expenses allocated.	**240**	202

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

29. Retirement benefit obligations (Continued)

For each of the above significant actuarial assumptions, a sensitivity analysis on the defined benefit obligation has been determined based on reasonably possible changes of the assumption occurring at the end of the reporting year, while holding all other assumptions constant:

	Group	
	Increase $'000	Decrease $'000
If the discount rate is 1 % higher (lower)	**1,927**	2,168
If the expected rate of salary growth increases (decreases) by 1%	**2,169**	1,924
If the average life expectancy increases (decreases) by one year	**2,041**	2,041

For the above sensitivity analysis, the present value of the defined benefit obligation has been determined using the projected unit credit method at the end of the reporting year. Such sensitivity analysis might not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another.

The following table analyses the movements in plan liabilities:

	Group	
	2023 $'000	2022 $'000
Present value of defined benefit obligations (wholly or partly funded):		
At beginning of financial year	**1,907**	1,387
Current service cost	**114**	110
Net interest expense	**125**	92
Actuarial (gain) losses arising from experience adjustments	**(87)**	565
Effecrs of movement in exchange rates	**24**	(162)
Benefits paid	**(34)**	(85)
Balance at end of the year	**2,049**	1,907

The following table analyses the movements in plan assets:

	Group	
	2023 $'000	2022 $'000
Fair value of plan assets:		
At beginning of the year	**(83)**	(108)
Net interest expense	**1**	–
Return on plan assets (excluding amounts included in net interest expense)	**(3)**	(9)
Employer contributions	**(48)**	(76)
Exchange differences on foreign plans	**16**	(24)
Benefits paid	**51**	134
Balance at end of the year	**(66)**	(83)
Net liabilities	**1,983**	1,824

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30. Financial instruments: information on financial risks

30A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Financial assets:				
Financial assets at amortised cost	**37,345**	26,688	**890**	895
At end of the year	**37,345**	26,688	**890**	895
Financial liabilities:				
Financial liabilities at amortised cost	**60,086**	54,700	**3,630**	2,347
At end of the year	**60,086**	54,700	**3,630**	2,347

Further quantitative disclosures are included throughout these financial statements.

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior staff.

4. All financial risk management activities are carried out following acceptable market practices

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30. Financial instruments: information on financial risks (Continued)

30C. Fair values of financial instruments

See Note 2A on accounting policy. The analyses of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks and receivables. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 24 discloses the cash balances. There was no identified impairment loss.

30E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than 1 year	1 – 3 years	Total
	$'000	$'000	$'000
Group			
Non-derivative financial liabilities:			
2023:			
Gross borrowings commitments	21,883	5,049	26,932
Gross finance lease obligations	3,661	5,665	9,326
Trade and other payables	25,385	26	25,411
At end of year	50,929	10,740	61,669

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30. Financial instruments: information on financial risks (Continued)

30E. Liquidity risk – financial liabilities maturity analysis (Continued)

	Less than 1 year $'000	1 – 3 years $'000	Total $'000
Group			
Non-derivative financial liabilities:			
2022:			
Gross borrowings commitments	12,269	2,505	14,774
Gross finance lease obligations	6,454	5,876	12,330
Trade and other payables	29,061	45	29,106
At end of year	47,784	8,426	56,210

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle current trade payables is about 80 days (2022: 81 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called, i.e. within 1 year. During the year, the Company provided financial guarantees to various banks in connection with the bank loans and other banking facilities granted to its subsidiaries. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

	Company	
	2023 $'000	2022 $'000
Corporate guarantee in favour of subsidiaries	**18,898**	10,464
At end of the year	**18,898**	10,464

Bank facilities:	Group	
	2023 $'000	2022 $'000
Undrawn borrowings and trade lines	**27,588**	42,337
Total undrawn borrowing facilities	**27,588**	42,337

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

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Year ended 31 December 2023

30. Financial instruments: information on financial risks (Continued)

30F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets is not material. Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	2023 $'000	2022 $'000
Financial liabilities with interest:		
Fixed rates	**34,765**	25,594
Total at end of the year	**34,765**	25,594

Sensitivity analysis: The effect on pre-tax profit is not material.

30G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency.

	Singapore Dollar $'000	Indonesia Rupiah $'000	Total $'000
Group			
2023			
Financial assets:			
Cash	**1,564**	**130**	**1,694**
Trade and other receivables	**995**	**165**	**1,160**
Total financial assets	**2,559**	**295**	**2,854**
Financial liabilities:			
Loans and borrowings	**3,448**	**–**	**3,448**
Trade and other payables	**3,412**	**1,086**	**4,498**
Total financial liabilities	**6,860**	**1,086**	**7,946**
Net financial liabilities at end of the year	**(4,301)**	**(791)**	**(5,092)**
2022			
Financial assets:			
Cash	1,389	45	1,434
Trade and other receivables	1,698	450	2,148
Total financial assets	3,087	495	3,582
Financial liabilities:			
Loans and borrowings	3,970	–	3,970
Trade and other payables	142	–	142
Total financial liabilities	4,112	–	4,112
Net financial (liabilities) assets at end of the year	(1,025)	495	(530)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

30. Financial instruments: information on financial risks (Continued)

30G. Foreign currency risks (Continued)

There is exposure to foreign currency risk as part of normal business.

Sensitivity analysis: The effect on post tax profit is not significant.

31. Event after the end of the announcement date

Subsequent to the release of the Group's and the Company's unaudited financial statements, as announced on 29 February 2024:

(a) The Company has identified a need to adjust the accounts for allowance for impairment on the trade receivables. This allowance reflects a more conservative estimate of the collectability of certain accounts receivable that were previously considered fully collectable. This adjustment is based on new information about the creditworthiness of certain customers that emerged after the reporting period.

As a result, the Company has made an allowance for impairment on trade receivables amounting to $2,274,000 which will be reflected as an expense in the financial statements of a wholly owned subsidiary of the Company. This allowance has been made to adhere to the prudence concept of accounting, ensuring that potential losses are adequately accounted for. The allowance is based on a detailed review of all outstanding receivables and takes into consideration factors such as delayed payment patterns, current economic trends, and industry developments that may impact the customers' ability to fulfil their payment obligations.

(b) A joint venture company (GIK-EM Pte. Ltd.) has been incorporated on 6 March 2024 with paid up capital of $50,000. The JV partners are Giken Sakata (S) Ltd. (wholly owned subsidiary of the Company), Euromould Group Pte Ltd, Mr David Richard Powell and Mr Garry Annand.

32. Changes and adoption of financial reporting standards

For the current reporting year the Accounting Standards Committee (ASC) issued amendment to FRS 1 and Practice Statement 2 on disclosures of material accounting policy and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33. New or amended standards in issue but not yet effective

For the future reporting years the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2024
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Non-current liabilities with Covenants	1 Jan 2024
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendments) Lack of Exchangeability	1 Jan 2025
SFRS (I)10 and SFRS (I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

STATISTICS OF SHAREHOLDINGS

As at 2 April 2024

SHARE CAPITAL

Issued and fully paid-up capital	S$67,117,662
Number of issued shares	630,191,957
Class of shares	Ordinary shares
Voting rights	One vote per ordinary share
Treasury shares	Nil
Subsidiary holdings	Nil
Percentage of treasury shares and subsidiary holdings	Nil

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 99	6	0.22	146	0.00
100 – 1,000	330	12.00	298,348	0.05
1,001 – 10,000	979	35.61	5,174,400	0.82
10,001 – 1,000,000	1,387	50.46	177,997,107	28.24
1,000,000 AND ABOVE	47	1.71	446,721,956	70.89
TOTAL	2,749	100.00	630,191,957	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NUMBER OF SHARES	%
1	KGI SECURITIES (SINGAPORE) PTE. LTD.	109,671,832	17.40
2	PHILLIP SECURITIES PTE LTD	77,181,600	12.25
3	CITIBANK NOMINEES SINGAPORE PTE LTD	42,020,124	6.67
4	RAFFLES NOMINEES (PTE) LIMITED	41,688,367	6.61
5	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	32,899,100	5.22
6	OCBC SECURITIES PRIVATE LIMITED	23,803,500	3.78
7	DBS NOMINEES (PRIVATE) LIMITED	20,512,300	3.25
8	MAYBANK SECURITIES PTE. LTD.	13,067,433]	2.07
9	UOB KAY HIAN PRVATE LIMITED	9,388,400	1.49
10	NG CHIN SIAU	7,700,000	1.22
11	YZELMAN GEOFFREY ERIC	3,645,400	0.58
12	NG CHONG KUAN	3,560,000	0.56
13	LIM CHEE SAN	3,000,000	0.48
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,915,300	0.46
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,709,900	0.43
16	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,490,200	0.40
17	TAN ENG CHUA EDWIN	2,440,600	0.39
18	CHRISTOPH OLIVER SEIBOLD-GRAF	2,300,000	0.36
19	TOK BOON CHOO	2,294,800	0.36
20	KNG PONG SAI	2,039,300	0.34
	TOTAL	405,428,856	64.32

STATISTICS OF SHAREHOLDINGS

As at 2 April 2024

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 2 April 2024, approximately 60.41% of the Company's shares are held in the hands of the public as defined in the Catalist Rules. Accordingly, the Company has complied with Rule 723 of the Catalist Rules of the SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%[1]	Number of Shares	%[1]
Substantial Shareholders				
Sundan Pacific Limited	72,700,000	11.54%	–	–
Fung Kau Lee, Glenn	–	–	72,700,000[2]	11.54%
Yeung Kin Bond, Sydney	90,333,499	14.33%	1,400,001[3]	0.22%
AP Capital Ltd	33,333,300	5.29%	–	–
Noside Holding Pte. Ltd.	50,000,000	7.93%	–	–
Phuripong Mangkornkanok	–	–	50,000,000[4]	7.93%
Nataphat Lertviriyasawat	–	–	50,000,000[4]	7.93%
Vikram Ahuja	–	–	50,000,000[4]	7.93%

Options in respect of Shares

	Direct Interest		Deemed Interest	
	Number of shares options	%[1]	Number of shares options	%[1]
Vikram Ahuja	1,000,000[5]	0.16%	–	–

STATISTICS OF SHAREHOLDINGS

As at 2 April 2024

WARRANT HOLDERS

(as recorded in the Register of Warrant Holdings)

	Direct Interest		Deemed Interest	
	Number of Warrants	%[1]	Number of Warrants	%[1]
Noside Holding Pte. Ltd.	40,500,000	6.43%	–	–
Phuripong Mangkornkanok	–	–	40,500,000[6]	6.43%
Nataphat Lertviriyasawat	–	–	40,500,000[6]	6.43%
Vikram Ahuja	–	–	40,500,000[6]	6.43%

Notes:

(1) Based on 630,191,957 shares of the Company in issue (excluding treasury shares and subsidiary holdings) as at 2 April 2024.

(2) Sundan Pacific Limited holds 72,700,000 shares in the Company. As at 2 April 2024, Mr Fung Kau Lee, Glenn is the managing director of Sundan Pacific Limited and he holds 100% of the issued share capital of Sundan Pacific Limited. Accordingly, he is deemed to have an interest in the shares in the Company as held by Sundan Pacific Limited.

(3) Roots Capital Limited holds 1,400,001 shares in the Company. As at 2 April 2024, Mr Yeung Kin Bond, Sydney is the sole director of Roots Capital Limited and he holds 100% of the issued share capital of Roots Capital Limited. Accordingly, he is deemed to have an interest in the shares in the Company held by Roots Capital Limited.

(4) Noside Holding Pte. Ltd holds 50,000,000 shares in the Company. As at 2 April 2024, each of Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja holds 33.33%, 33.33% and 33.33% respectively, of the issued share capital of Noside Holding Pte. Ltd. Accordingly, Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in the shares in the Company held byNoside Holding Pte. Ltd.

(5) Vikram Ahuja, an employee of the Group, was granted the share options pursuant to GSS Energy Limited 2018 Scheme ("**GEL 2018 Scheme**") on 9 March 2022. The GEL 2018 Scheme was approved on 23 April 2018 by the members of the Company and is a share incentive scheme. Under the GEL 2018 Scheme, (a) full time employees of the Company and its related Group companies; (b) executive directors of the Company and its related Group companies; and (c) non-executive directors (including independent directors) of the Company and its related Group companies are eligible to participate in the GEL 2018 Scheme.

(6) Noside Holding Pte. Ltd holds 40,500,000 warrants in the Company. As at 2 April 2024, each of Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja holds 33.33%, 33.33% and 33.33% respectively, of the issued share capital of Noside Holding Pte. Ltd. Accordingly, Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in the warrants in the Company held byNoside Holding Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("**AGM**") of GSS Energy Limited will be held at Block 4012 Ang Mo Kio Avenue 10, #05-01 Techplace 1, Singapore 569628 on Tuesday, 30 April 2024, at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Independent Auditors' Reports thereon.
(Resolution 1)

2. To approve the payment of Directors' Fees of S$116,000 (FY2023: S$116,000) for the financial year ending 31 December 2024.
(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 89 of the Constitution of the Company and Rule 720(4) of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited:

   (a) Mr Ng Say Tiong (see Explanatory Note 1) **(Resolution 3a)**

   (b) Mr Wong Quee Quee, Jeffrey (see Explanatory Note 2) **(Resolution 3b)**

4. To re-appoint Messrs RSM SG Assurance LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 4)

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of the shares to be allotted and issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, of which the aggregate of shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (a) until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by the law to be held, whichever is earlier; or (b) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Ordinary Resolution 5, until the issuance of such shares in accordance with the terms of such convertible securities.

   (See Explanatory Note 3) **(Resolution 5)**

NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to grant share options, allot and issue shares under GSS Energy Limited 2018 Executives' Share Option Scheme**

That the Directors of the Company be and are hereby authorised, pursuant to Section 161 of the Companies Act 1967 of Singapore, to offer and grant options ("**Options**") in accordance with the GSS Energy Limited 2018 Executives' Share Option Scheme (the "**GEL 2018 Scheme**"), and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options granted or to be granted under the GEL 2018 Scheme and to do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that:

(a) the aggregate number of shares over which Options may be granted on any date (when added to the number of shares issued and/or are issuable upon the exercise of all Options and the number of shares issued and/or issuable in respect of all shares, options or awards granted under any other share option or share scheme of the Company then in force (if any)) shall not exceed fifteen per cent (15%) of the total number of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date; and

(b) the aggregate number of shares to be offered to certain participants collectively and individually during the duration of the GEL 2018 Scheme (subject to adjustments, if any, made under the GEL 2018 Scheme) shall not exceed such limits or (as the case may be) sub-limits as may be prescribed in the GEL 2018 Scheme.

(See Explanatory Note 4) **(Resolution 6)**

8. **Proposed renewal of the Share Buy-Back Mandate**

That:

(a) pursuant to Section 76C and 76E of the Companies Act 1967 of Singapore (the "**Act**"), and Part XI of Chapter 8 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Catalist Rules;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST, as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) a Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares;

NOTICE OF ANNUAL GENERAL MEETING

(c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the proposed renewal of the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the shareholders in a general meeting; or

(iii) the date on which the Share Buy-Back is carried out to the full extent mandated;

(d) in this resolution:

"**Maximum Limit**" means the number of Shares representing ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as defined hereinafter), in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

where:

"**Relevant Period**" means the period commencing from the date on which on which this resolution is passed and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier, or until it is varied or revoked by the Company in a general meeting, after the date of the passing of this Ordinary Resolution 7;

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-Market Day period and the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution 7.

(See Explanatory Note 5) **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

9. **Proposed diversification of the Group's business to include the battery packing and EV charging businesses (the "Proposed Diversification")**

That:

(a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business into the battery packing and EV charging business (the "**New Businesses**"), including:

(i) engaging in the development, testing, design, manufacture, production, assembly, packaging, marketing and distribution of battery packs and related battery components and peripherals in the EV industry and other industries;

(ii) engaging in the development, testing, design, manufacturing, production, assembly, installation, packaging, operation, maintenance, marketing and distribution of (1) EV charging systems including but not limited to EV charging stations, facilities, infrastructure and other hardware and software; and (2) EV battery swapping systems including but not limited to EV battery swapping stations, facilities, infrastructure and other hardware and software;

(iii) engaging in development, research, ideation, engineering, operation, marketing and distribution of battery solutions including but not limited to battery charging, swapping, packing and recycling systems;

(iv) holding investments in the battery packing and EV charging sectors (including without limitation, investments or participation in units, securities, partnership interests or any form of economic participation in any trust, entity or unincorporated association that carries on or invests, directly or indirectly, in the New Businesses); and

(v) any other ancillary activities related to the New Businesses;

(b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the New Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and

(c) the Directors be authorised and empowered, jointly and/or severally, to complete and do and execute all such things and acts (including, without limitation, executing all such documents as may be required) as they or he may think necessary or expedient to give effect to this resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

(See Explanatory Note 6) **(Resolution 8)**

BY ORDER OF THE BOARD
GSS Energy Limited

Anthony Kuek Chairman

15 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr Ng Say Tiong will, upon passing the Ordinary Resolution 3(a) in item 3 above, remain as an Executive Director of the Company. Please refer to the corporate governance report section in the annual report for the financial year ended 31 December 2023 (the "**Annual Report**") for the information required under Appendix 7F of the Catalist Rules in relation to Mr Ng Say Tiong.

2. Mr Wong Quee Quee, Jeffrey will, upon passing Ordinary Resolution 3(b) in item 3 above, will remain as the Chairman of the Audit Committee, and a member of Nominating Committee and Remuneration Committee respectively, and will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. Mr Wong Quee Quee, Jeffrey has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Please refer to the corporate governance report section in the Annual Report for the information required under Appendix 7F of the Catalist Rules in relation to Mr Wong Quee Quee, Jeffrey.

3. The Ordinary Resolution 5 in item 6 above, if passed, will empower the Directors from the date of this meeting until the date of the next annual general meeting or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this Ordinary Resolution 5 would not exceed one hundred per centum (100%) of the total number of issued shares of the Company at the time of passing this Ordinary Resolution 5. For issue of shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed fifty per centum (50%) of the total number of issued shares of the Company.

   For the purpose of Ordinary Resolution 5, the percentage of issued shares is based on the total number of issued shares at the time Ordinary Resolution 5 is passed after adjusting for (a) new shares arising from the conversion or exercise of convertible securities; (b) new shares arising from the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Ordinary Resolution 5 is passed, provided the options and awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (c) any subsequent bonus issue, consideration or subdivision of shares.

4. The Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, to grant options and to allot and issue shares upon the exercise of such options granted or to be granted in accordance with the GEL 2018 Scheme provided that the number of shares which the Directors may allot and issue under this Ordinary Resolution 6, together with any shares issued and issuable in respect of all options granted or to be granted under the GEL 2018 Scheme as well as any shares, options or awards granted under any other share option or share scheme of the Company then in force (if any), shall not, in aggregate, exceed fifteen per centum (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company on the day preceding that date.

5. The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to purchase or otherwise acquire issued ordinary Shares of the Company by way of Market Purchases or Off-Market Purchases of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix A to this Notice of AGM, the Act and the Catalist Rules. Please refer to Appendix A to this Notice of AGM for more details on the proposed renewal of the Share Buy-Back Mandate.

6. Please refer to Appendix B to this Notice of AGM for more details on the Proposed Diversification.

Notes:

Format of Meeting

1. The members of the Company are invited to **attend the AGM physically in person**. There will be no option for members to participate the AGM virtually. This Notice of AGM, Proxy Form, Annual Report 2023 accompanied by the Appendices A and B to this Notice of AGM will be sent to members by electronic means via publication on the Company's corporate website at the URL https://gssenergy.com.sg/agm/ and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements. The Notice of AGM will also be published in the print edition of the Business Times on 15 April 2024. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to members via post. Printed copies of the Annual Report 2023 and the Appendices A and B to this Notice of AGM will not be sent to members. A member who wishes to obtain a printed copy of the Annual Report 2023 and/or the Appendices A and B to this Notice of AGM should complete the Request Form accompanying this Notice of AGM and return the completed Request Form by mail to the Company at Block 4012 Ang Mo Kio Avenue 10, #05-01 Techplace 1, Singapore 569628 or email to arrequest@gssenergy.com.sg no later than **23 April 2024**. The printed copy will be mailed to you within fourteen (14) working days upon receiving your request.

NOTICE OF ANNUAL GENERAL MEETING

Attendance at the AGM

2. Members, including Central Provident Fund Investment Scheme investors (the "**CPF Investors**") and Supplementary Retirement Scheme investors (the "**SRS Investors**") can attend the AGM in person.

   Please bring along your NRIC/passport to enable the Company to verify your identity at the registration counter(s) outside the AGM venue on the day of the event. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

   For investors who hold shares through relevant intermediaries (including CPF Investors/SRS Investors) (as defined in Section 181 of the Companies Act 1967 of Singapore) (the "**Relevant Intermediaries**"), please refer to note (5) below for the procedures to vote at the AGM.

Submission of Questions

3. Members (including CPF Investors and SRS Investors) who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **10.00 a.m. on 22 April 2024**, through any of the following means:

   (a) by email to gssagm2024@boardroomlimited.com; or

   (b) by post, to be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. ("**BCAS**"), at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

   Members (including CPF Investors and SRS investors) must identify themselves when posting questions through email or mail by providing the following details for verification purposes:

   (i) full name;

   (ii) address;

   (iii) number of shares held; and

   (iv) the manner in which the member holds shares (e.g., via CDP, CPF, SRS and/or script).

   To ensure that questions received by the Company within the stipulated deadline, members (including CPF Investors/SRS Investors) are strongly encouraged to submit questions via email.

   The Company will endeavour to address all substantial and relevant Advanced Questions through announcement on the Company's corporate website at the URL https://gssenergy.com.sg/agm/ and on SGXNet at the URL https://www.sgx.com/securities/company-announcements before **10.00 a.m. on 25 April 2024**. This is to allow members to have sufficient time and opportunity to consider the Company's response before the deadline for the submission of proxy forms.

   Any subsequent clarifications sought, or follow up questions, or substantial and relevant questions received after the cut-off at **10.00 a.m. on 22 April 2024** will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's corporate website or at the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

   The Company will publish the minutes of the AGM, which will include responses from the Board and Management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGXNet and the Company's corporate website within one (1) month after the AGM.

   Investors holding shares through Relevant Intermediaries (other than CPF Investors/SRS Investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their Relevant Intermediaries as soon as possible in order for the Relevant Intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

Voting at the AGM by Members and Proxy(ies)

4. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

   Duly completed proxy forms must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's Share Registrar, BCAS, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07 Singapore 098632; or

   (b) if submitted electronically, be sent via email to the Company's Share Registrar, BCAS, at gssagm2024@boardroomlimited.com,

NOTICE OF ANNUAL GENERAL MEETING

in either case, must be lodged or received (as the case may be), by **10.00 a.m. on 27 April 2024**, being seventy-two (72) hours before the time appointed for holding the AGM.

Please refer to the detailed instructions for appointment of proxy(ies) set out in the Proxy Form.

Voting at the AGM by Relevant Intermediaries (including CPF Investors/SRS Investors)

5. Investors holding shares through Relevant Intermediaries (other than CPF Investors/SRS Investors) who wish to appoint proxy(ies) should approach their Relevant Intermediaries as soon as possible to specify their voting instructions or make necessary arrangement to be appointed as proxy.

   CPF Investors/SRS investors who wish to appoint the Chairman of the AGM as their proxy to vote at the AGM, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.00 a.m. on 18 April 2024**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies) to vote on their behalf. CPF Investors/SRS investors are requested to contact their respective CPF agent banks and/or SRS operators for any queries they may have with regard to the appointment of proxies for the AGM.

Personal data privacy:

"Personal data" has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a member and proxy(ies) and/or representative(s) of a member.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with the Notice of AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents, or service providers) for the purposes of (a) processing and administration and analysis by the Company (or its agents, or service providers) of Proxy Forms/instruments appointing proxy(ies) and/or representative(s) for the AGM of the Company (including any adjournment thereof); (b) addressing substantial and relevant questions received from members relating to the resolutions set out in the Notice of AGM before the AGM and if necessary, following up with the relevant members in relation to such questions; (c) preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof); and (d) in order for the Company (or its agents, or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); (ii) warrants that where the warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or, service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings at the AGM of the Company may be made by the Company for record keeping to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member may be recorded by the Company (or its agents or service providers) for such Purposes. In the case of a member who is a Relevant Intermediary, by submitting the consolidated list of participants, such member represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such individuals by the Company (or its agents or, service providers) for any of the Purposes.

GSS ENERGY LIMITED

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

IMPORTANT:
1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting (the "**AGM**") and vote (please see note 4 for the definition of "relevant intermediary").
2. For an investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by such investor. CPF Investors/SRS Investors should contact their respective CPF Agent Banks/SRS Operators to submit their votes by **10.00 a.m. on 18 April 2024**, being at least seven (7) working days before the AGM and if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 15 April 2024.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies) at the AGM.

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

I/We, ______________________ (Name) ______________________ (NRIC/Passport/Company Registration number)

of ____ (Address)
being a member/members of GSS ENERGY LIMITED (the "**Company**") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the AGM of the Company to be held at Block 4012 Ang Mo Kio Avenue 10, #05-01 Techplace 1, Singapore 569628 on Tuesday, 30 April 2024, at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our* proxy/proxies* to vote for or against, or abstain from voting on, the Resolutions proposed at the AGM as indicated hereunder by way of poll. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, my/our* proxy/proxies* will vote or abstain from voting at his/her/their* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Ordinary Resolutions relating to:	For*	Against*	Abstain*
1	Receipt and adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditors' Report			
2	Approval of Directors' Fees of S$116,000 for the financial year ended 31 December 2024			
3a	Re-election of Mr Ng Say Tiong as a Director			
3b	Re-election of Mr Wong Quee Quee, Jeffrey as a Director			
4	Re-appointment of RSM SG Assurance LLP as the Auditors of the Company			
5	Authority to allot and issue shares			
6	Authority to grant share options, allot and issue shares under GSS Energy Limited 2018 Executives' Share Option Scheme			
7	Proposed renewal of the Share Buy-Back Mandate			
8	Proposed diversification of the Group's business to include the battery packing and EV charging business			

Dated this ________ day of ______________ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

**Delete where inapplicable*

IMPORTANT: Please read notes on the reverse

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.

3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

6. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd ("**BCAS**") at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) if submitted electronically, be sent via email to the Company's Share Registrar, BCAS at gssagm2024@boardroomlimited.com,

   in either case, must be lodged or received (as the case may be), by **10.00 a.m. on 27 April 2024**, being seventy-two (72) hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. An investor who holds his/her/its Shares via a securities sub-account with a Depository Agent ("**DA**") and wishes to appoint the Chairman of the AGM as proxy to vote on his/her/its behalf at the AGM, should contact his/her/its DA as soon as possible in order for the necessary arrangements to be made by his/her/its DA for such appointment.

9. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.

10. The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM of the Company and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.

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