ADAPT, INNOVATE AND GROW

2022
ANNUAL REPORT

This annual report has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("the Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Bernard Lui, at Tel: (65) 6389 3000; Email: bernard.lui@morganlewis.com

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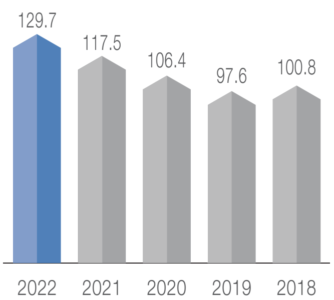
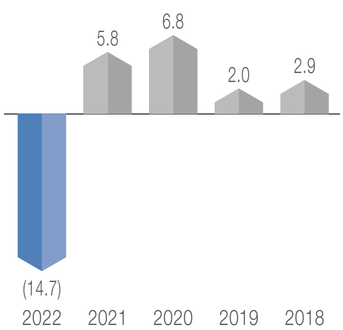
Group Financial Summary

FINANCIAL PERFORMANCE

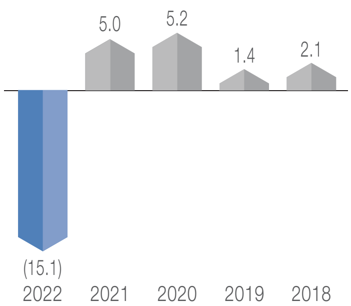
	2022 $ mil	2021 $ mil	2020 $ mil	2019 $ mil	2018 $ mil
Financial Performance					
Turnover	**129.7**	117.5	106.4	97.6	100.8
Net (Loss)/Profit Before Tax	**(14.7)**	5.8	6.8	2.0	2.9
Net (Loss)/Profit After Tax	**(15.1)**	5.0	5.2	1.4	2.1
Financial Position					
Property, Plant & Equipment	**23.8**	23.5	24.5	11.2	11.8
Other Non-Current Assets	**24.4**	19.9	15.4	18.5	15.9
Current Assets (excludes*)	**45.5**	67.5	56.7	39.8	43.1
*Cash and Bank Balances	**15.2**	15.7	7.1	7.2	6.1
Total Assets	**108.9**	126.6	103.8	76.7	76.9
Other Non-Current Liabilities	**7.9**	5.8	4.2	1.9	1.5
Long-Term Borrowings	**2.4**	3.9	4.4	–	–
Short-Term Borrowings	**11.9**	14.5	8.8	5.5	5.0
Other Current Liabilities	**35.4**	37.2	32.4	21.4	23.9
Total Liabilities	**57.6**	61.4	49.8	28.8	30.4
Capital Reserve	**–**	–	–	–	–
Translation Reserve	**(0.6)**	0.9	(0.4)	(1.1)	(0.2)
Statutory Reserve	**1.5**	1.5	1.4	1.3	1.2
Revenue Reserve	**(18.8)**	(3.3)	(8.3)	(13.8)	(15.5)
Equity Non-Controlling Interest	**0.1**	0.1	0.1	0.1	0.1
Share Capital	**66.7**	63.4	58.6	58.5	58.5
Total Capital & Reserve	**52.6**	66.4	55.1	48.7	46.9
Non-Controlling Interests	**(1.3)**	(1.2)	(1.1)	(0.7)	(0.4)
Total Capital, Reserve & Non-Controlling Interests	**51.3**	65.2	54.0	47.9	46.5
Financial Ratios					
Net Tangible Assets Per Share (Cents)	**4.35**	9.98	10.20	9.22	6.50
(Loss)/Earnings Per Share Before Tax (Cents)	**(2.33)**	1.00	1.38	0.40	0.58
(Loss)/Earnings Per Share After Tax (Cents)	**(2.41)**	0.99	1.13	0.40	0.40



TURNOVER S$ mil



NET (LOSS)/PROFIT BEFORE TAX S$ mil



NET (LOSS)/PROFIT AFTER TAX S$ mil

Chairman and CEO's Message

MR ANTHONY KUEK
Chairman

MR SYDNEY YEUNG
Group Chief Executive Officer

Dear Shareholders,

We are delighted to present our annual report for the financial year ended 31 December 2022, showcasing the Group's achievements and prospects.

Despite the challenges posed by the COVID-19 pandemic, we have successfully continued our precision engineering operations in Singapore, Batam (Indonesia), and Changzhou (China), with the easing of COVID-19 pandemic measures.

It is with great pleasure that we announce a 10.4% increase in precision engineering revenue, amounting to approximately S$129.7 million. Our precision engineering operations have not only experience strong demand but have also collaborated with existing customers to enhance product design and streamline manufacturing processes. Moreover, we have successfully acquired new customers in the electronics and consumer products sectors. As part of our commitment to growth, we are expanding our Original Design Manufacturing (ODM) capabilities and provide value-added services to our clients.

While our precision engineering segment thrived, we encountered challenges in our oil and gas operations conducted through our associate company, PT Sarana GSS Trembul. The COVID-19 pandemic disrupted their drilling program and gas off-take, impacting their financial resources adversely and PT Pertamina withheld a renewal of their operating agreement for the field[1]. PT Sarana GSS Trembul has appealed against the decision and is pending a decision from PT Pertamina.

Due to uncertainties with the operations of the Trembul field as a result of the above, the Group recorded an impairment loss of approximately S$9.9 million[2] which is the total amount of money due from GSS Energy Trembul Limited and PT Sarana GSS Energy Trembul. It is important to note that the impairment loss of S$9.9 million incurred by the Group is non-cash in nature, and we have decided not to make further investments in this project due to uncertainties surrounding the Trembul field.

Despite the challenges faced in our oil and gas operations, our balance sheet remains robust, with a net equity of $51.3 million, providing us with the financial strength to pursue our diversification plan in the electric 2-wheeler business.

In March 2022, we made strategic investments in a Thailand subsidiary, and through our partnership with Iso, an established Italian brand, we have successfully developed our inaugural electric motorcycle model, the UNO-X. This electric motorcycle model has been homologated and certified as road-worthy for Thailand in November 2021. Additionally, we have identified a network of distributors in the region to facilitate the promotion and sale of our electric motorcycles[3].

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1 For further information, please refer to the following announcement: https://links.sgx.com/1.0.0/corporate-announcements/NKFMZ0RLS8FMCNVJ/742718_SGX-GSSEL-Termination%20of%20KSO%20Agreement%20with%20PT%20Sarana%20GSS%20Trembul%20by%20Pertamina.pdf

2 For further information, please refer to pages 124 to 126 of this annual report for note 19 to the financial statements of the Group for the financial year ended 31 December 2022.

3 For the avoidance of doubt, homologation and certification of our electric motorcycles is required in each country before any sale can commence.

Chairman and CEO's Message

Additionally, in early February 2023, we signed a Memorandum of Understanding ("**MoU**") with Hong Kong Listed MECOM Power and Construction Limited ("**Mecom**"), establishing a strategic cooperation for the development of the EV business in Singapore, Thailand, Indonesia, and Malaysia[4]. This collaboration leverages the strengths and expertise of both parties to enhance our presence and capitalize on emerging opportunities in these key markets. In line with our commitment to innovation and expansion, we are actively exploring additional avenues for manufacturing within the EV sector. On 31 May 2023, pursuant to the MoU, we announced[5] the formation of a joint venture with MUCharging (Macau) Limited, a wholly-own subsidiary of Mecom for the collaboration. In addition, we are exploring other related areas of manufacturing in the EV sector to complement our existing precision engineering facilities.

We would like to express our heartfelt appreciation to our dedicated team, who has demonstrated remarkable perseverance throughout the challenging COVID-19 pandemic. They have worked tirelessly in a demanding environment to sustain our operations while exploring new business directions. We are confident that their hard work and unwavering commitment will yield fruitful results. We are particularly excited about the new opportunities presented by the EV market to complement our precision engineering business.

On behalf of the Board of Directors and Management, we thank all employees for their efforts, commitment, and dedication, as well as our clients and shareholders for their continued support. We look forward to the Group's future growth and success in the years to come.

ANTHONY KUEK
Chairman
Independent Non-Executive Director

MR SYDNEY YEUNG
Group Chief Executive Officer

4 https://links.sgx.com/FileOpen/SGX-20230202-GSS%20Energy-MECOM%20Joint%20Announcement_Combine.ashx?App=Announcement&FileID=745569

5 https://links.sgx.com/FileOpen/SGX-20230531-GSS%20Energy-MECOM%20JV%20Joint%20Announcement_Combine1.ashx?App=Announcement&FileID=761260

Board of Directors

Mr Kuek Eng Chye, Anthony
Chairman; Non Executive and Independent Director

Mr. Kuek is an experienced professional with a strong background in development banking, economic policies, finance, infrastructure investment, governance and sustainability. He has held various senior professional positions over his professional career in an Asian multilateral bank, where he led investment teams to Asia and the Pacific region. He has also worked extensively in Asian countries on economic policies and public investment programs, and has also held several senior consultancy assignments in international and government development agencies.

Prior to his tenure with the a multilateral bank, Mr. Kuek worked in logistics and held senior positions in the Ministry of Foreign Affairs, the Ministry of Finance (Trade), and a government-backed trading corporation.

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.

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
22 June 2020

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 both the Precision Engineering and Oil and Gas business. 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
26 April 2019

Board Committee Membership
Member of Nominating Committee

Academic & Professional Qualification
Fordham University

Present Directorship other than the Company (SGX Listed company)
Nil

Present Directorship other than the Company (Non SGX-Listed company)
Giken Sakata (S) Limited
Giken Precision Engineering Pte. Ltd.
Changzhou Giken Precision Co., Ltd
Changzhou Giken Technology Co., Ltd.
Changzhou Giken Import & Export Co., Ltd
GSS Energy Sumatra Limited
GSS Energy Trembul Limited
Giken Motors Asia Pacific Pte. Ltd.
Turbo Charge Limited
Avita-Giken Technology Pte. Ltd.
(formerly known as Turbo Charge (S) 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.
(formerly known as GEV 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;
Chief Financial Officer cum Company Secretary

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 & Honorary Treasurer 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 Neighbourhood Committee, Honorary Treasurer of the Yishun Junior College Advisory Board and Honorary Treasurer of the Rotary Club of Queenstown, Singapore.

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 Pte. Ltd.
Changzhou Precision Co., Ltd.
Giken Renewable Energy Solutions Pte. Ltd.
Giken Motors Asia Pacific Pte. Ltd.
Giken Mobility Pte. Ltd.
Edison Motors Co., Ltd

Major appointment (other than Directorship)
PT Giken Precision Indonesia (Commissioner)

Board of Directors

Mr Lee Kok Beng
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
22 June 2020

Academic & Professional Qualification
Diploma in Mechanical Engineering, Singapore Polytechnic

Diploma in Marketing Management, Ngee Ann Polytechnic Singapore

Present Directorship other than the Company (SGX Listed company)
Nil

Present Directorship other than the Company (Non SGX-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.
(formerly known as Turbo Charge (S) Pte. Ltd.)

Major appointment (other than Directorship)
Nil

Board of Directors

Mr Wong Quee Quee, Jeffrey
Non-Executive and Independent Director

Mr. Wong is a practising lawyer and a partner in a Singapore law firm, Solitaire LLP. He was previously a senior adviser to Soochow CSSD Capital Markets (Asia) Pte. Ltd., 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 (Honours) from National University of Singapore.

Date of first appointment as a director
21 June 2021

Date of last appointment as a director
29 April 2022

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

Academic & Professional Qualification
Chartered Valuer and Appraiser, Programme from Nanyang Technological University and Institute of Valuers and Appraisers

Solicitor of the Supreme Court of England and Wales

Advocate and Solicitor of the Supreme Court of Singapore

Bachelor of Laws (Second Class Upper Honours), National University of Singapore

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

Present Directorship other than the Company (Non SGX-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 Advisor)

Solitaire LLP (Partner)

Board of Directors

Mr Fung Kau Lee, Glenn
Non-Independent and Non-Executive 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 (SGX Listed company)
Nil

Present Directorship other than the Company (Non SGX-Listed company)
N-Bridge Capital Group International Limited (CEO)

Major appointment (other than Directorship)
Nil

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
Ng Say Tiong
Wong Liong Khoon

Registered Office
1 Harbour Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632
Telephone: (65) 6536 5355
Fax: (65) 6536 1360

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

Company Registration Number
201432529C

Company Website
www.gssenergy.com.sg

Auditors
BDO LLP, Public Accountants and
Chartered Accountants, Singapore

Partner-in-charge
Yeo Siok Yong
(Appointed since financial year ended 2020)

Sponsor
Stamford Corporate Services Pte Ltd

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

Sustainability Report

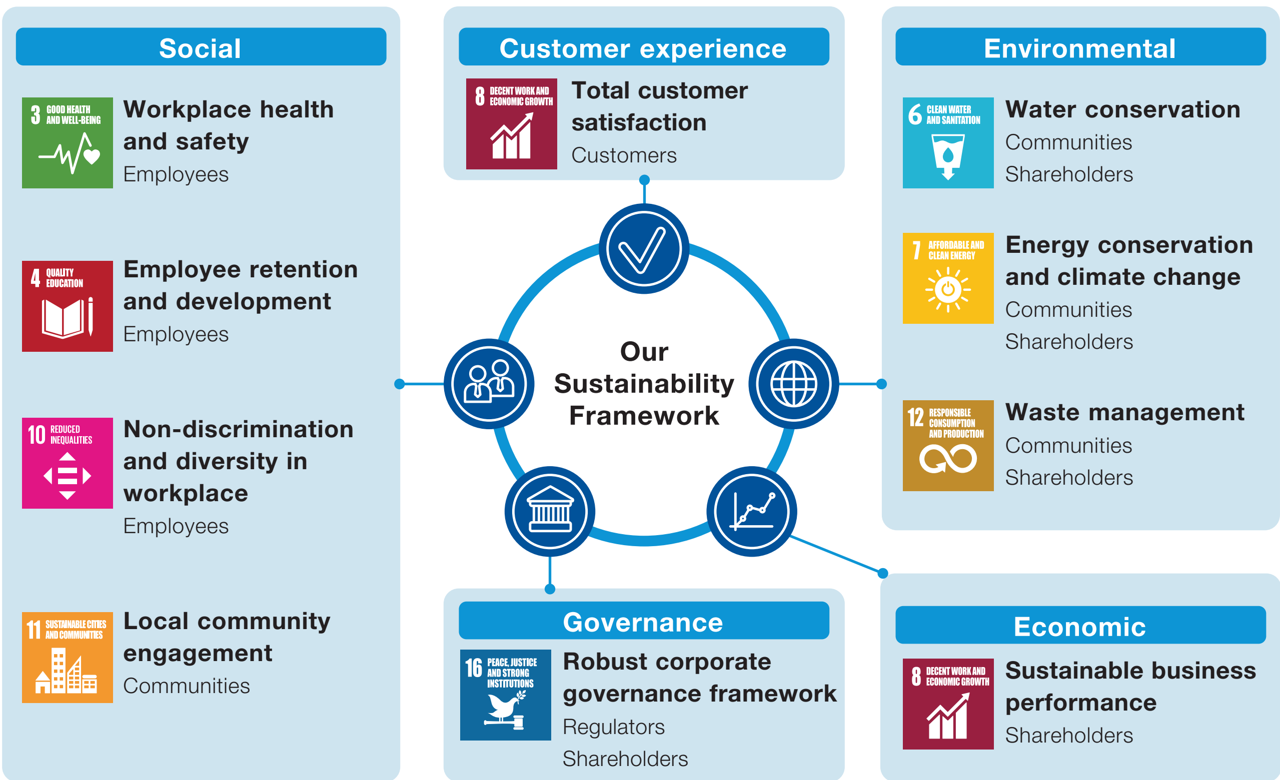
Board Statement

The board of directors (the "**Board**") of GSS Energy Limited ("**GSS Energy**" or the "**Company**") and its subsidiaries (collectively with the Company, referred to as the "**Group**") reaffirms its commitment to sustainability with the publication of this sustainability report (this "**Report**"). This Report provides insights into the way we do business, while highlighting our environmental, social, governance ("**ESG**") factors, economic performance and customer experience (collectively as "**Sustainability Factors**"). In our sustainability journey, we strive to create long-term value and sustainable returns for our stakeholders whilst, at the same time, remain conscious of the related sustainability risks and will endeavour to manage such risks responsibly.

The Board is responsible for the long-term strategic direction of the Group and has considered sustainability issues as part of its strategic formulation, determined the Sustainability Factors and overseen the management and monitoring of the Sustainability Factors. The Board is ultimately responsible for the sustainability of the Group.

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. Under our SR Policy, we will continually monitor, review and update our Sustainability Factors from time to time, taking into account the feedback received from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("**SDGs**" or "**Global Goals**"). The support for the SDGs is primarily driven by the concerns of our key stakeholders. We strive to create long-term value for all our key stakeholders by working closely with stakeholders in our value chain and have incorporated their inputs in identifying a number of SDGs which we can contribute to through our businesses. The identified SDGs and the related 10 Sustainability Factors of the Group categorised under five (5) sustainability categories are described as follows:



Sustainability Report

A summary of our key sustainability performance in FY2022 and a comparison with FY2021 is provided as follows:

Sustainability category	Performance indicator	Sustainability performance	
		FY2022	FY2021
Customer experience	Product rejection rate	0.1%	–[1]
Economic	Economic value generated[2]	S$127.4 million	S$119.0 million
	Operating costs[3]	S$99.2 million	S$85.3 million
	Employee benefits paid to employees	S$26.0 million	S$24.1 million
	Payments to providers of capital[4]	S$1.4 million	S$0.5 million
	Tax to governments	S$1.3 million	S$1.1 million
Environmental	Water consumption (CuM)	58,160	65,195
	Purchased electricity consumption (kWh)	18,942,866	19,781,158
	Greenhouse gas ("**GHG**") emissions (tonnes CO_2e)	14,290	14,752
Social	Number of workplace fatalities	–	–
	Number of high-consequence[5] work-related injuries	–	–
	Number of recordable work-related injuries	18	16
	Number of recordable work-related ill-health	–	–
	Average training hours per employee	2.7	2.9
	Number of reported incidents of unlawful discrimination[6] against employees	–	–
Governance	Number of reported corruption incident[7]	–	–
	Number of incidents of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred	–	–

[1] No comparative data is available due to non-availability of information for FY2021. We have since strengthened our data collection process and disclosed the information for FY2022.
[2] Economic value generated includes revenue, other income, interest income, net of government grants and share of loss of an associate.
[3] Operating costs include cost of sales, selling and distribution expenses, administrative expenses, other expenses, net of depreciation of property, plant and equipment, amortization 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.
[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 the Company through established procedures and resulting in a penalty to the Company. Established procedures to identify instances of non-compliance include whistleblowing channel.
[7] A corruption incident refers to a serious offence under Section 207(9A) read with Section 207(9D) of the Companies Act 1967, which is defined as one that involves fraud or dishonesty and is being or has been committed against the 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

The Group continues to operate in the precision engineering business and the electric vehicles business and retains a non-operational interest in oil and gas services business. In the precision engineering business, the Group is committed to expanding our Original Design Manufacturing ("**ODM**") capabilities and providing value-added services to our clients and have been collaborating with existing customers to incorporate more product design and manufacturing operations while securing new customers in electronics and consumer products. In the electric vehicles business, we have invested in a Thailand subsidiary, Edison Motors Co., Ltd and, in partnership with Iso, an established Italian brand, we have developed our first model of electric motorcycle, UNO-X, which has been homologated to be fit and road-worthy in Thailand. We have also identified a network of distributors in Thailand for the promotion and sale of our electric motorcycles. In addition, we are exploring other related areas of manufacturing in the electric vehicles sector to complement our existing precision engineering facilities.

Reporting Framework

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). GSS Energy has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the Global Reporting Initiative ("**GRI**") Standards. We have chosen to report using the GRI Standards as it is an internationally recognised reporting framework that covers an extensive range of sustainability disclosures and promotes the reporting of a full and balanced picture of the Group's material matters and the management of its impact. The GRI Content Index can be found on pages 36 to 38.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015 ("**UN Sustainability 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 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where applicable, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**") in our climate-related disclosures.

Reporting Scope

This Report is applicable for our financial year ("**FY**") from 1 January 2022 to 31 December 2022 ("**FY2022**" or "**Reporting Period**"). A sustainability report is published annually in accordance with our SR Policy.

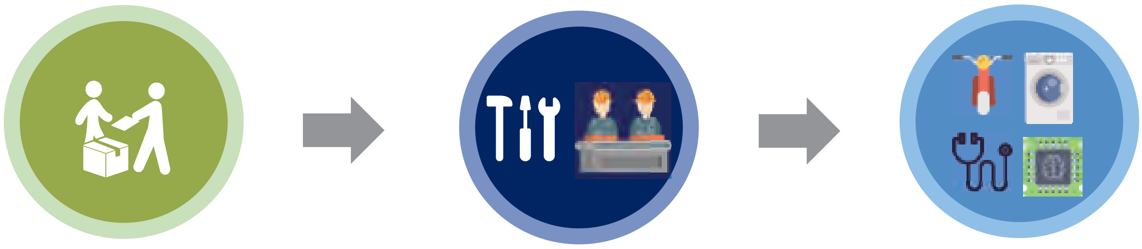
The scope of this Report covers the following operating entities within the Group's precision engineering business in Singapore, Indonesia and China which contributed to 100% (FY2021: 100%) of the Group's revenue:

S/N	Entity	Country of operation	Principal activity
1	GSS Energy Limited	Singapore	Investment holding
2	Giken Sakata (S) Limited ("**GSS**")	Singapore	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**")	China	Manufacture and sale of microshafts and other precision parts
4	Giken Precision Engineering (S) Pte. Ltd. ("**GPE**")	Singapore	Manufacture of basic precious and non-ferrous metal products
5	P.T. Giken Precision Indonesia ("**GPI**")	Indonesia	Assembly of mechanisms and manufacture of precision parts used in computers and a range of electronic products

Sustainability Report

Our Business

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



Suppliers

Precision engineering business

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

Electric vehicles business

- Suppliers for materials, such as tyres, motors, batteries and spare parts for manufacturing and assembly of electric motorcycles

Operations

Precision engineering business

- Mechanisms division, which 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, which concentrates on the manufacturing of high precision shafts

Electric vehicles business

- Manufacturing and assembly of motorcycles and scooters

Customers

Precision engineering business

- Customers from various industries such as Automotive, Consumer Electronics, Healthcare & Medical, Gaming & Toys and Industrial Equipment industries

Electric vehicles business

- Individual customers 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 have 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 ensures that all queries in relation to the Company's sustainability reporting will be addressed as soon as practicable.

Sustainability Report

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 address 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 have identified key stakeholder groups through an internal stakeholder mapping exercise and have 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 ("**Communities**"), customers, employees, governments and regulators ("**Regulators**"), investors or shareholders ("**Shareholders**") and suppliers.

We actively engage our key stakeholders through the following channels:

Stakeholder group	Expectations of the stakeholder	Engagement platforms	Frequency of engagement	Engagement efforts
Communities	• Community services	• Charity events • Donations	• Ongoing	• Contribute to philanthropic cause and local charity, particularly in terms of 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 and according to the customer's specification requirement • Maintain a robust quality management system • Conduct training for employees on quality control to meet or exceed customers' expectation
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 by tapping on the Senior Worker Early Adopter Grant provided by the Ministry of Manpower • 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 law and regulations in the respective countries where the Group carries out business activities • Engage regulators periodically

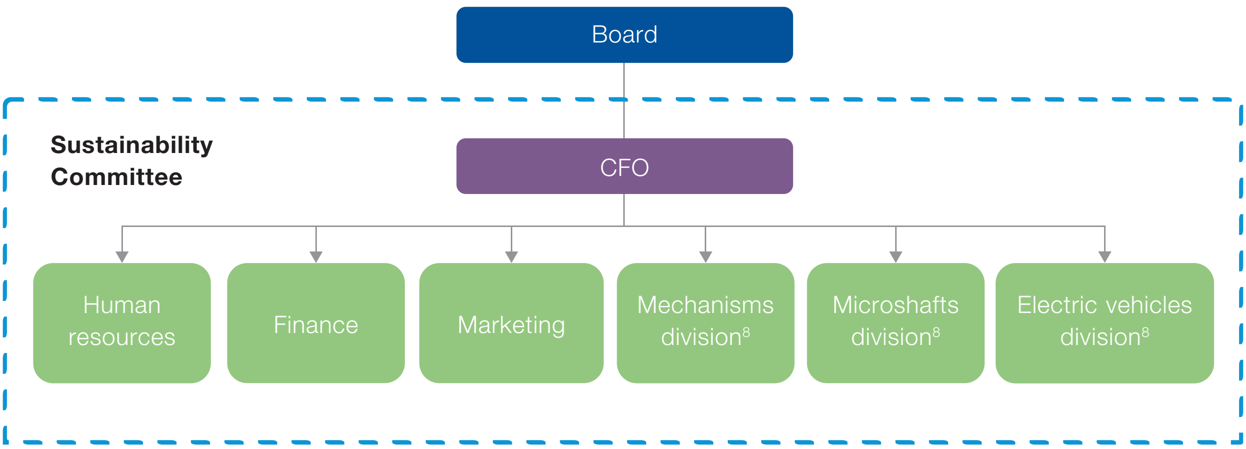
Sustainability Report

Stakeholder group	Expectations of the stakeholder	Engagement platforms	Frequency of engagement	Engagement efforts
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 receive 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	• Make timely payment based on contractual terms • Maintain communication channel and provide timely updates on the evolving business circumstances

Policy, Practice and Performance Reporting

Sustainability Governance Structure

The Board advises and oversees the development of our sustainability strategy and performance targets. Our sustainability strategy is spearheaded by the Sustainability Committee, which includes senior management executives from various support units, 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.



[8] The operations under mechanisms, microshafts and electric vehicles divisions include supply chain management, production and quality assurance functions.

Sustainability Report

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 are 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 material 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 our performance in relation to 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.

Our Sustainability Factors

In FY2022, a materiality assessment was 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 have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

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

S/N	Sustainability Factor	Key stakeholder	SDG
Customer experience			
1	Total Customer Satisfaction	• Customers	Decent work and economic growth
Economic			
2	Sustainable Business Performance	• Shareholders	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

Sustainability Report

We will update the Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. The details of each key Sustainability Factor are presented as follows:

Customer Experience

Total Customer Satisfaction

We have set up 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. All 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. We have instituted quality management systems to 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.

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

Certification	Entity	Description of certification
ISO 9001:2015	• CGP • GPE • GPI	Specify 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	Specify 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 which 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.

In a global marketplace, supply chains are becoming increasingly complex. As such, there is growing expectations for our customers to not only ensure that their businesses are responsible, but also to ensure that their suppliers demonstrate 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 ("**BSCI**") 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 Good Performance Award in 2020 and 2021 and the Excellent Quality Award from 2016 to 2020 which were issued by PFU Limited, a Fujitsu company which recognised the excellent quality of our products. We will continue to strive to improve our product quality and standards in order to better meet the needs of our customers.

We are committed to quality control and service excellence. To fulfill this commitment, we closely monitor feedback from our customers on our service standards, quality and delivery of products to drive continual improvement. During the Reporting Period, we recorded a product reject rate of 0.1%.

Target for FY2022	Performance in FY2022	Target for FY2023
–[9]	We recorded a product reject rate of 0.1%	Maintain or reduce product reject rate

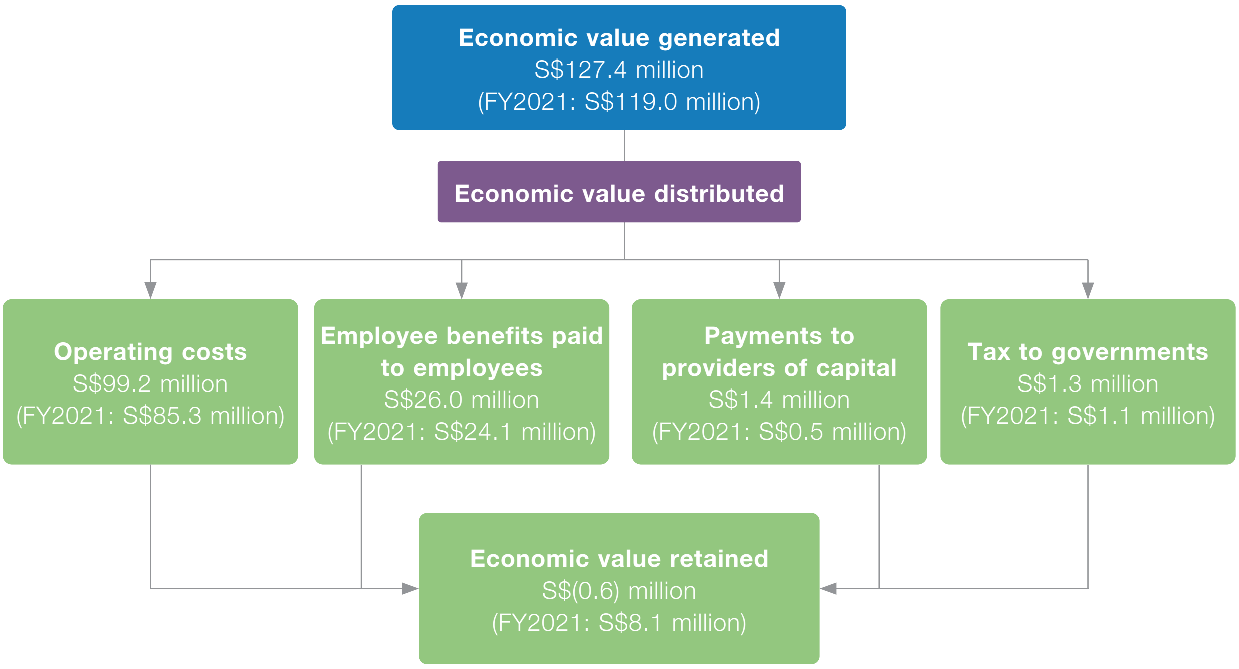
[9] Not applicable as this is a newly disclosed Sustainability Factor.

Sustainability Report

Economic

Sustainable Business Performance

We are committed to providing value to various stakeholders through relevant and meaningful ways. In line with this commitment, the Group's economic value generated in FY2022 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.

Target for FY2022	Performance in FY2022	Target for FY2023
–[9]	Improvement in economic value generated	Maintain or improve our economic value generated

[9] Not applicable as this is a newly disclosed Sustainability Factor.

Sustainability Report

Environmental

At GSS Energy, we aim to minimise the impact our businesses has 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 have put in place environmental policies for CGP, GPE and GPI and review these environmental policies regularly to manage our environmental responsibilities 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 requirements of the environmental policy in our 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.

Water Conservation

We are committed to water-use efficiency to address global water scarcity. We rely on water resources to run our operations primarily in our production activities and office environment.

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

Performance indicator	Unit of measurement	FY2022	FY2021
Water consumption	CuM	58,160	65,195

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.

Target for FY2022	Performance in FY2022	Target for FY2023
–[10]	Decrease in water consumption	Maintain or reduce water consumption

Energy Conservation and Climate Change

Climate change and environmental risk is a growing concern. 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. We remain committed to building a more sustainable future in Singapore and overseas and will continue to improve our business and operations to deliver long-term, sustainable value to our stakeholders.

We follow the guidelines of the Greenhouse Gas Protocol established by the United Nations Framework Convention on Climate Change for measuring and disclosing corporate GHG emissions in the calculation of our GHG emissions. In our operations, we rely mainly on electricity to operate machinery and equipment in our production activities and equipment for office uses (Scope 2[11]). Other than indirect GHG emissions (Scope 2), we do not generate material direct GHG emissions (Scope 1[12]) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclose in future, as and when applicable.

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, has 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.

10 Not applicable as Water Conservation is a new Sustainability Factor identified by the Group.
11 Scope 2 GHG emissions are indirect emissions that arise from the generation of purchased electricity consumed by the Company. Scope 2 emissions physically occur at the facility where electricity is generated.
12 Scope 1 GHG emissions occur from sources that are owned or controlled by the Company.

Sustainability Report

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

Performance indicator	Unit of measurement	FY2022	FY2021
Energy consumption			
Purchased electricity consumption	kWh	18,942,866	19,781,158
Electricity generated by our solar panels	kWh	333,917	–[13]
GHG emissions			
Indirect GHG emissions (Scope 2[14])	tonnes CO_2e	14,290	14,752

We remain committed to reducing our carbon footprint by implementing an array of energy efficiency initiatives such as monitoring and analysing our energy usage, taking corrective actions when unusual consumption patterns are observed and implementing basic measures in some of our offices such as switching off air-conditioner when usage is low and substituting non-LED lighting in our operating environments, and this that can further reduce our energy consumption and costs.

Target for FY2022	Performance in FY2022	Target for FY2023
Continue to advocate and adopt sustainable development methods and offerings to reduce our environmental impact	Slight decrease in GHG emissions due to the installation of solar panels on the rooftop of our factory in China which generated 33,917 kWh of electricity	• Maintain or reduce energy consumption • Maintain or reduce GHG emissions

Waste Management

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

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

Wastewater

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 ("**Oil Separation Treatment**"), and the wastewater then flows to a primary sedimentation tank for sludge to be filtered out ("**Precipitation Treatment**"). The wastewater is further channeled to a contact oxidation tank and a secondary sedimentation tank to remove further pollutants such as chemical oxygen demand ("**COD**"), total suspended solids ("**TSS**") 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 also helps to minimise our impact on the environment. In FY2022, 100% (FY2021: 100%) of wastewater generated which amounted to 12,000 tonnes (FY2021: 17,450 tonnes) was treated to remove pollutants before discharge. The decrease in wastewater generated is mainly due to a reduction in our business activities of our China subsidiary.

13 No comparative data is available as the installation of solar panels was completed in June 2022.

14 GHG emissions from electricity purchased by the Company (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 FY2022 is 14,480 tonnes CO_2e.

Sustainability Report

Hazardous and non-hazardous waste

Key waste generated in our operations are as follows:

1. 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.
2. 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.

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

Performance indicator	Unit of measurement	FY2022	FY2021
Amount of hazardous waste generated	tonnes	35	42
Amount of non-hazardous waste generated	tonnes	193	191

Hazardous and non-hazardous waste are collected and segregated at designated areas for handling of waste by licensed waste collectors. In FY2022, 100% (FY2021: 100%) of our hazardous waste are treated by licensed waste collectors and 100% (FY2021: 100%) of our non-hazardous waste are disposed of by licensed waste collectors to prevent pollution. In FY2022, there is zero (FY2021: zero) case of improper disposal of waste across our business operations.

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.

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 ("**RoHS**") Directive. Packaging materials are reused for the next delivery where practicable.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero case of improper disposal of waste across business operations	Maintained zero case of improper disposal of waste across business operations	Maintain zero case of improper disposal of waste across business operations

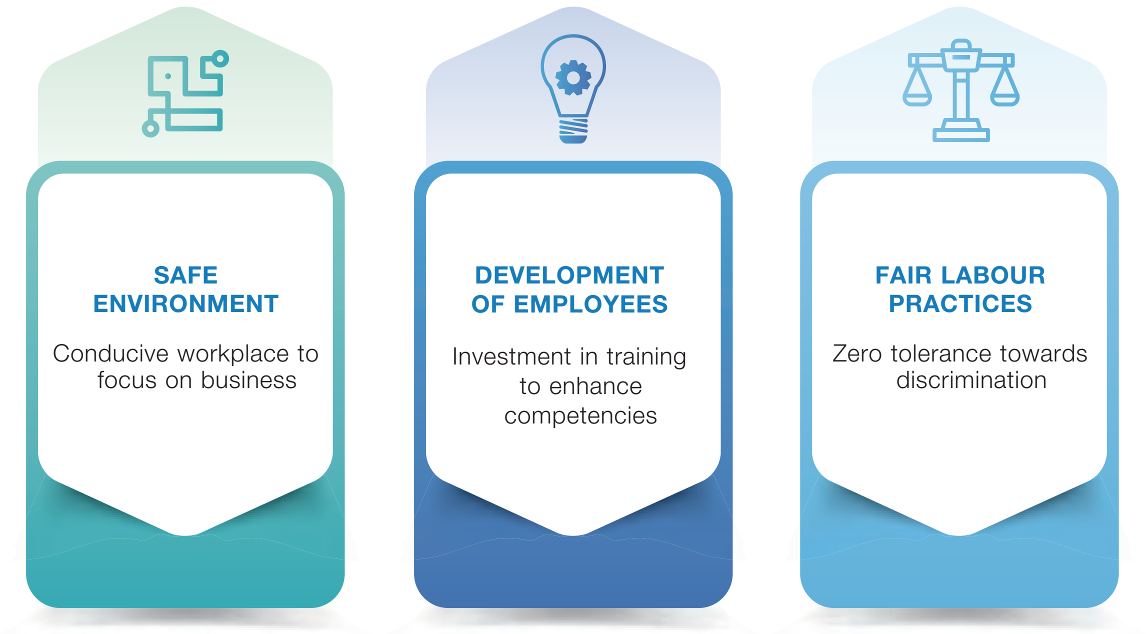
Sustainability Report

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:

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



Workplace Health and Safety

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. 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 material for our employees to understand existing and predicted risks within their work activities.

We have 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.

Sustainability Report

Key statistics on safety statistics are as follows:

	FY2022	FY2021
Workplace fatalities	–	–
High-consequence work-related injuries	–	–
Recordable work-related injuries	18	16
Recordable work-related ill health cases	–	–

There were no workplace fatalities, high-consequence work-related injuries and work-related ill health cases in FY2022 (FY2021: 0). In FY2022, there were 18 (FY2021: 16) minor recordable work-related injuries were trip and fall incidents. We have strengthened the relevant procedures to reinforce workplace safety measures. We endeavour to achieve zero rate of work-related injuries or deaths.

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 workers. 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 have established procedures on handling ammonia and chemicals and emergency response or corrective actions for ammonia leakage and oil spill. In FY2022, there were zero (FY2021: zero) incident of ammonia leakage and oil spill across the Group's operations.

Sustainability Report

Annually, ammonia leakage and oil spill drill refresher training is 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 of 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 the waste.

3

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

To ensure the safety of our employees and minimise the risk of transmission of Coronavirus disease 2019 ("**COVID-19**") amongst our employees, we adhere to the guidelines and measures passed by the local COVID-19 laws and regulations and the Group also has a dedicated committee in place to oversee and enforce prevention and control measures.

Sustainability Report

Target for FY2022	Performance in FY2022	Target for FY2023
• Aim to maintain zero fatalities and reduce workplace accidents to zero • Conduct fire drills and evacuation exercise at least once per year • Maintain zero ammonia leakage and oil spill across business operations	• Zero fatalities, high-consequence work-related injuries and ill-health cases • Slight increase in number of recordable work-related injuries from 16 in FY2021 to 18 in FY2022 • Conducted fire drills and evacuation exercise at least once in our factories • Maintained zero ammonia leakage and oil spill across business operations	• Aim to maintain zero fatalities and reduce workplace accidents to zero • Conduct fire drills and evacuation exercise at least once per year • Maintain zero ammonia leakage and oil spill across business operations

Employee Development and Retention

We believe in nurturing our employees to raise our employees' learning and development capacity, yielding a capable and more agile workforce. To support this belief, we provide on-the-job training whenever possible. Aside from on-the-job training and relevant skills upgrading, 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 line managers and the human resource department to ensure that our employees' learning and development needs are adequately met.

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

Disclosure	FY2022	FY2021
Overall		
Total training hours	5,810	5,996[15]
Average training hours per employee	2.7	2.9
Gender (Male)		
Total training hours	2,571	2,701
Average training hours per employee	3.2	3.7
Gender (Female)		
Total training hours	3,239	3,295
Average training hours per employee	2.4	2.5

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 one of the approved sustainability training courses during the Reporting Period.

[15] Figure has been restated as a correction.

Sustainability Report

We recognise the importance of attracting and retaining a skilled and dedicated workforce to build a strong human and organisational capital that enables the Group's business growth. Key statistics on new employees hires and employee turnover are as follows:

New hires

Disclosure	FY2022	FY2021
Gender		
Male	30%	26%
Female	70%	74%
Age		
Below 30	98%	97%
30 to 50	2%	3%
Above 50	–	–

Employee turnover

Disclosure	FY2022	FY2021
Overall	4%	4%
Gender		
Male	40%	36%
Female	60%	64%
Age		
Below 30	67%	56%
30 to 50	32%	44%
Above 50	1%	–

We provide our employees with job rotation opportunities to motivate them in broadening their skill sets, diversify their current job roles, and rejuvenate their interest to 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 also 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 Policy and Workmen Compensation Policies with disability coverage are also provided. For our Indonesia subsidiary, we provide mental health support which includes an in-house clinic and praying room. A cooperative has also been set up by employees to provide an option for employees to apply for a loan for purposes such as for school funds, purchase of a home, repair of home due to floods or fires.

Sustainability Report

We understand the importance of our employees' physical well-being and work-life balance. With the easing of COVID-19 restrictions, we will be able to resume organising monthly healthy lifestyle activities which includes, amongst others, badminton, football and yoga sessions for our employees. In FY2022, our Indonesia subsidiary organised a futsal tournament during the Reporting Period.

Target for FY2022	Performance in FY2022	Target for FY2023
Promote healthy lifestyle that favours active living and sports where possible	Continued to promote healthy lifestyle that favours active living and sports	• Maintain or increase the average overall training hours per employee • Maintain or reduce the overall employee turnover rate

Non-Discrimination and Diversity in Workplace

We embrace diversity in gender, age, race, nationality, values, and backgrounds, and welcome the skills, energy and creativity of a diverse group. Our employees are selected based on merit and talent.

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. During the Reporting Period, we had zero (FY2021: zero) reported incidents of unlawful discrimination against employees. We do not employ child labour and strictly abide by the minimum legal age requirement set by relevant authorities. We also strive to maintain harmonious and mutually beneficial relationships with labour unions to protect the rights of our employees.

The Group has 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.

As at the end of FY2022, the Group has a total of 2,184 (FY2021: 2,070) permanent and temporary employees in Singapore, Indonesia and China. The breakdown of our workforce by employment contract and region as at the end of FY2022 is as follows:

	Singapore	Indonesia	China	Total
Overall	96	1,961	127	2,184
Permanent	96	229	127	452
Temporary	–	1,732	–	1,732

Sustainability Report

Gender diversity

Given the nature of the work in our industry, in which a substantial portion of our workforce are deployed in the manufacturing operations, the gender balance tends to lean towards females. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Overall	37%	63%	36%	64%
Management level				
Management	78%	22%	77%	23%
Non-management	35%	65%	33%	67%
Employment contract				
Permanent	58%	42%	59%	41%
Temporary	32%	68%	28%	72%

Age diversity

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

Disclosure	FY2022			FY2021		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	74%	20%	6%	74%	21%	5%
Management level						
Management	3%	56%	41%	5%	59%	36%
Non-management	78%	18%	4%	75%	20%	5%
Employment contract						
Permanent	10%	67%	23%	10%	67%	23%
Temporary	91%	8%	1%	90%	8%	2%

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of unlawful discrimination against employees	Maintained zero incident of unlawful discrimination against employees	Maintain zero incident of unlawful discrimination against employees

Sustainability Report

Local Community Engagement

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

In FY2022, some employees of our Singapore subsidiary volunteered in a mid-autumn festive celebration organised by All Saints Home and sponsored mooncakes for the elderly residents of the All Saints Home (Yishun). From 11 to 12 March 2022, our Indonesia subsidiary operated a vaccination site to administer COVID-19 vaccine booster injections for our employees and the general public.

Target for FY2022	Performance in FY2022	Target for FY2023
Encourage our staffs to participate at least one community engagement event supported by the Group	Some employees of our Singapore subsidiary volunteered in a community engagement event supported by the Group	Participate in community engagement activities to help the communities

Governance

Robust Corporate Governance Framework

Dealing in securities

In the event of dealing in securities, we remind all its 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 ("**black-out period**"), or if they are in possession of unpublished price-sensitive information of the Company.

The 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.

Sustainability Report

Code of Business Ethics and Conduct

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

1. Zero-tolerance against corruption, fraud, insider trading, theft or bribery;
2. Compliance with the Company's internal policies and internal controls;
3. Maintaining the Company's policies around workplace health, safety measures that might endanger the life and safety of fellow employees and external parties;
4. Committed to fair respectful working conditions without discrimination;
5. General code of conduct in terms of handling of Company property, assets and disclosure of information or trade secrets of the Company without permission; and
6. 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 violations 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. 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 (FY2021: zero).

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. During the Reporting Period, there were zero (FY2021: zero) corruption incidents reported.

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 enterprise risk management framework ("**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 over the short, medium and long term.

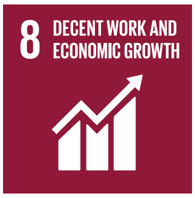
For more information relating to our corporate governance structure and practices, please refer to the Corporate Governance Report section of our Annual Report 2022.

Target for FY2022	Performance in FY2022	Target for FY2023
• Maintain zero corruption and fraud incident across the Company's core operations • Maintain zero incident of legal non-compliance	• Maintained zero incidents of corruption and/or fraud • Maintained zero incident of legal non-compliance	• Maintain zero incidents of corruption and/or fraud across the Company's core operations • Maintain compliance with relevant laws and regulations

Sustainability Report

Supporting the UN Sustainable Development Goals

We have 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 Sustainability Factors relate to these SDGs:

SDG	Our effort (Sustainability Factor)
 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 our employees with training on safety procedures. 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.
 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.
 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. Our China subsidiary has installed solar panels to generate electricity that reduces the aggregate amount of electricity the subsidiary would have otherwise consumed and this in turn reduces out GHG emissions.
 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 creating 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 effort (Sustainability Factor)
Reduce inequality within and among countries	**Non-Discrimination and Diversity in Workplace** We ensure equal opportunity and fair remuneration for all regardless of gender and age by establishing various human resource related policies and initiatives to facilitate this goal.
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 FY2022, some employees of our Singapore subsidiary volunteered in a mid-autumn festive celebration organised by All Saints Home and sponsored mooncakes for the elderly residents of the All Saints Home (Yishun).
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.
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. Detailed information relating to our corporate governance structure and practices are set out in the Corporate Governance Report section of our Annual Report 2022.

Sustainability Report

Supporting the TCFD

We are committed to supporting the recommendations by the TCFD and ensuring that our stakeholders have the benefit of the Group's climate-related financial disclosures. The adoption of the recommendations of the TCFD is an iterative process and the full implementation will require several years. Notwithstanding this, the Group has provided preliminary climate-related financial disclosures below:

Key area	Our approach
Governance The Company's governance around climate-related risks and opportunities	The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies. Our sustainability strategy is spearheaded by the Group's Sustainability Committee and the Board advises and oversees the development of our sustainability strategy and performance targets. The Group's Sustainability Committee is led by the CFO and includes senior management executives. The responsibilities of the Sustainability Committee include considering climate-related issues in the development of the Group's sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.
Strategy The actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning	The climate-related risks and opportunities identified by the Group during the climate-related risk assessment are as follows: • Given that the Group is principally involved in manufacturing, we are exposed to environmental pollution risks. From our production activities, we generate GHG emissions which contributes to the climate change; • 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; and • 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). We will embark on strategic reviews on key areas, such as infrastructure and logistics, to minimise the business impact of untoward events and to develop more proactive measures and environmental practices and continue to embrace and leverage on technology to improve our processes.
Risk management The processes used by the organisation to identify, assess, and manage climate-related risks	The Group's climate related risks and opportunities are identified and assessed during the climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.
Metrics and targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities	We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts. To support the fight against climate change, we disclose our Scope 2 GHG emissions[16] in this Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and will work towards disclosing our Scope 1 and Scope 3 GHG emissions.

[16] Scope 1 GHG emissions is not disclosed as it is not material.

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 2022 to 31 December 2022 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	10 to 11, 13, 120 to 121, 157 to 158
	2-2 Entities included in the organisation's sustainability reporting	13
	2-3 Reporting period, frequency and contact point	13 to 14
	2-4 Restatements of information	27
	2-5 External assurance	14
	2-6 Activities, value chain and other business relationships	14
	2-7 Employees	29 to 30
	2-8 Workers who are not employees	We have approximately 26 workers who are not employees in FY2022. They are mainly security guards outsourced from agencies.
	2-9 Governance structure and composition	4 to 10, 39 to 40
	2-10 Nomination and selection of the highest governance body	45 to 46
	2-11 Chair of the highest governance body	4, 10, 44
	2-12 Role of the highest governance body in overseeing the management of impacts	16
	2-13 Delegation of responsibility for managing impacts	16
	2-14 Role of the highest governance body in sustainability reporting	16
	2-15 Conflicts of interest	40
	2-16 Communication of critical concerns	59
	2-17 Collective knowledge of the highest governance body	27, 40, 44

Sustainability Report

GRI standard	Disclosure	Location
	2-18 Evaluation of the performance of the highest governance body	52 to 53
	2-19 Remuneration policies	53 to 55
	2-20 Process to determine remuneration	53 to 55
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	2 to 3, 11, 13
	2-23 Policy commitments	31 to 35, 63
	2-24 Embedding policy commitments	31 to 35, 63
	2-25 Processes to remediate negative impacts	32, 59
	2-26 Mechanisms for seeking advice and raising concerns	32, 59
	2-27 Compliance with laws and regulations	32
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	15 to 16
	2-30 Collective bargaining agreements	As at 31 December 2022, 98% of the Group's employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	16 to 19
	3-2 List of material topics	18
	3-3 Management of material topics	18 to 32
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	20
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	32
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	22
GRI 303: Water and Effluents 2018	303-2 Management of water discharge related impacts	22
	303-4 Water discharge	22
	303-5 Water consumption	21

Sustainability Report

GRI standard	Disclosure	Location
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	22
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	23
	306-3 Waste generated	23
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	28
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28, 29
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	25 to 35
	403-9 Work-related injuries	25
	403-10 Work-related ill health	25
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	27
	404-2 Programs for upgrading employee skills and transition assistance programs	27
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	30
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	29
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	31

Corporate Governance Report

The Company 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**") 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 Company and the Company's approach to governance.

During FY2022, 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.

Corporate Governance Report

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 Listing Rules, the Companies Act 1967 of Singapore (the "**Companies Act**"), the Company's internal guidelines and policies, and any other applicable laws and regulations.

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 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 ("**SID**"), 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.

In FY2022, Mr. Anthony Kuek, Mr. Ng Say Tiong, Mr. Lee Kok Beng, Mr. Glenn Fung and Mr. Jeffrey Wong attended sustainability training courses conducted by SGX-RegCo authorised trainers, such as SID and the Institute of Chartered Accountants. Mr. Sydney Yeung has attended and completed the sustainability training course in January 2023. The sustainability training is intended to equip the Directors with a better understanding on the Company's sustainability reporting requirements.

Further, Directors are also 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, normally will circulate out materials to them a week in advance of each meeting.

Corporate Governance Report

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 committees, namely the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**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 responsibilities as a director of the Company when he has multiple board representations and other commitments.

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' Circulating Resolutions. The matters that require the Board's approval are listed below:

i. appointment of Directors;

ii. annual report 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.

Corporate Governance Report

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	4	4	2	2	1	1
Yeung Kin Bond, Sydney	4	4	–	–	2	2	–	–
Ng Say Tiong	4	4	–	–	–	–	–	–
Fung Kau Lee, Glenn	4	4	4	4	–	–	1	1
Wong Quee Quee, Jeffrey	4	4	4	4	2	2	1	1
Lee Kok Beng	4	4	–	–	–	–	–	–

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 members, of which two are Non-Executive Independent Directors, one is a Non-Independent Non-Executive Director and three are Executive Directors.

The NC is responsible for examining the size and composition of the Board and Board Committees. Provisions 2.2 and 2.3 of the Code provide that the Independent Directors are to make up a majority of the Board when the Chairman is not independent and the Non-Executive Directors are to make up a majority of the Board respectively. 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 had 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. As such, notwithstanding that the Provision 2.3 of the Code was not met in FY2022, 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 4 to 9 of this Annual Report.

Corporate Governance Report

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 FY2022, 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 financial years, or (ii) a Director who has an immediate family member who is, or has been in any of the past three 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 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 Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance.

Following its annual review, 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. Kuek Eng Chye, Anthony; and

ii. Wong Quee Quee, Jeffrey.

Accordingly, the Board has, upon the NC's recommendation, affirmed that the above-named Directors, each of whom had served less than nine (9) years as an Independent Director since their date of appointment to the Board, remains independent as contemplated by the Listing Manual and Code.

Pursuant to Transitional Practice Note 3 Transitional Arrangements Regarding the Tenure Limit for Independent Directors of the Catalist Rules, Mr. Anthony Kuek if re-appointed at the FY2022 AGM to be held in July 2023, will serve as an Independent Director until the conclusion of the Company's FY2023 AGM.

Corporate Governance Report

Board diversity

The Board, through its board diversity policy, endorses the principle that its 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. In reviewing and assessing Board appointments and composition, the NC will consider diversity factors and assessed the combined factors against the requirements needed to govern and direct the Company's strategic objectives.

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. The Board recognises the importance and value of gender diversity in the Board, and will endeavour to appoint a female Director in the near future.

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 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.

As Chairman of the Board, Mr. Anthony Kuek is a Non-Executive and Independent Director, and also chairs the NC and the RC. 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.

At the AGMs 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.

Corporate Governance Report

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 has an effective group of Independent Non-Executive Directors 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 each director's experience, competencies, contribution and performance. For FY2022, the NC comprised three 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 principal role of the NC includes the following:

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 of Corporate Governance.

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.

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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 examples of relationships as set out in the Code, 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.

Appointment of New Directors and Re-appointment of Directors

The roles of NC include identifying candidates and reviewing all nominations for the appointments of new directors when there is a need that arises for a new Director either to replace retiring Director or to enhance Board's composition. The NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate experience and expertise for the appointment as a new Director. The selection criteria include attributes such as diversity of competencies, industry knowledge, financial literacy and integrity.

The NC is empowered to seek potential candidates widely and beyond the Board's or Management's recommendations and is empowered to engage external parties, such as professional search firms and institutions to undertake research on or assessment of candidates as it deems appropriate. The NC then meets with the shortlisted candidates to appraise their calibre and suitability, having regard to the attributes of the existing Board and the requirements of the Group and to ensure that the candidates are aware of the expectations and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as a new Director. The NC ensures that newly appointed Directors are aware of his or her duties and obligations.

New Directors are appointed by way of a Board resolution, upon their nomination by the NC. In accordance with the Article 88 of 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 Annual General Meeting (the "**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 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 3 years.

The NC makes recommendations to the Board on the annual re-election of Directors after taking into account the Board's succession plan, directors' independence, contribution, integrity and performance, and other factors that may be determined by the NC. Each member of the NC shall abstain from voting on any resolutions in respect of his re appointment.

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

Mr. Kuek Eng Chye, Anthony
Mr. Lee Kok Beng

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

Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
Date of Appointment	18 November 2014	3 July 2019
Date of last re-appointment (if applicable)	22 June 2020	22 June 2020
Age	75	65
Country of principal residence	Singapore	Singapore
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive, Mr Lee serves as the Vice President of the Group's Precision Engineering Business ("**PE**"). He oversees the overall operations of PE and is involved in business development.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, NC and RC Chairman, and member of the AC	Executive Director
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Anthony Kuek as the Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company. Mr Anthony Kuek will exceed the nine-year tenure limit for independent director after 30 September 2023 and will continue to be independent until the next AGM of the Company for the financial year ending 31 December 2023, in accordance with Catalist Rule 406(3)(d)(iv)[1]. For the avoidance of doubt, he will not be considered for re-election as an independent director at the annual general meeting of the Company for the financial year ending 31 December 2023, as his tenure limit as an independent director of the company will exceed nine years.	The re-election of Mr. Lee Kok Beng as Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, relevant experience and overall contribution.

1 Catalist Rule 406(3)(d)(iv) takes effect for the Company's annual general meeting for the financial year ending on or after 31 December 2023.

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Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
Professional qualifications	Master of Business Administration degree, Ateneo de Manila University, Philippines Bachelor Social Sciences (Hons), University of Singapore Diploma in Adult Teaching and Learning, University of Canterbury, New Zealand	Diploma in Marketing Management, Ngee Ann Polytechnic Singapore Diploma in Mechanical Engineering, Singapore Polytechnic
Working experience and occupation(s) during the past 10 years	2011-2017: Lead Advisor/Consultant to Deputy Minister, Coordinating Ministry of Economic Affairs, Indonesia 2014-Current: Non-Executive Director of GSS Energy Limited 2016-Current: Non-Executive Chairman of GSS Energy Limited 2018-2019: Senior Advisor (Consultant) to Vice-President Operations and Chief Investment Officer, Director-General, Investment Operations of Asian Infrastructure Investment Bank (AIIB), Beijing 2020-2020: Non-Executive Director of Magnus Energy Group Ltd.	2016-Current: Vice President of Giken Sakata (S) Limited 2014-Current: President Director of PT Giken Precision Indonesia 2008-2016: General Manager of Mechanism Division of Giken Sakata
Shareholding interest in the listed issuer and its subsidiaries	None	Yes
Shareholding details	None	Direct interest of 905,000 shares in 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
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)	2018-2019: Senior Advisor (Consultant) to Vice-President Operations and Chief Investment Officer, Director-General, Investment Operations of Asian Infrastructure Investment Bank (AIIB), Beijing 2020-2020: Non-Executive Director of Magnus Energy Group Ltd.	2018-2019: Director of Eastern Giken International Co. Limited

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Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
Present	2014-Current: Non-Executive Director of GSS Energy Limited 2016-Current: Non-Executive Chairman of GSS Energy Limited	2015-Current: Director of Giken Sakata (S) Limited 2020-Current: Director of Giken Mobility Pte. Ltd. 2017-Current: Director of Changzhou Giken Technology Co., Ltd. 2014-Current: President Director of PT Giken Precision Indonesia 2018-Current: President Director of PT Giken Technology Indonesia 2017-Current: Director of Turbo Charge Limited 2017-Current: Director of Avita-Giken Technology Pte. Ltd. (formerly known as Turbo Charge (S) Pte. Ltd.)
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
(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	None

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Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
(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?	None	None
(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
(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

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Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
(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
(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	None
(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

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Name of Director	Kuek Eng Chye, Anthony	Lee Kok Beng
If Yes, Please provide full details	None	
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).	Not applicable	Not applicable

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 FY2022.

The listed company directorships and profile of each Director is provided in the "Profile of 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 comprising, 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.

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The NC has assessed the current Board's performance to-date 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 have been given by the Directors to the Group. No external facilitator was engaged for the evaluation process in FY2022.

Principle 6: Remuneration matters

Remuneration Committee Composition and role

For FY2022, 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. 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 FY2022, 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 Director's and key management personnel's 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 formulate 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 Director’s fee. The Company advocates a performance-based remuneration system for Executive Directors and KMP 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

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 referencing to Directors’ fees of other listed companies with similar market 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 FY2022 Directors’ fees after having considered last financial year overall quantum. FY2023 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 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 the Scheme in accordance with the Rules of the GEL Scheme and GEL 2018 Scheme.

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Principle 8: Disclosure on Remuneration

The compensation packages for employees including the executive directors and the KMPs comprised a fixed component (basic salary), a variable component (performance bonus, allowance, employee share option) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, Group's performance (financially and non-financially), industry practices, market condition and guidelines from National Wages Council.

The Code suggests full disclosure of the remuneration of each individual director as well as top five KMP in aggregate. The Board supports and is aware of the need for transparency. Nevertheless, after deliberation, the Board has decided not to include a separate annual remuneration report to shareholders in the annual report on the remuneration of Directors and the top five KMP (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 Director and KMP is not in the best interest of the Group having regard to the highly competitive environment in which it operates. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure to disclose the specific remuneration of each individual Director and KMP.

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

Name of Director/Key Management	Salary Allowances & Benefits	Bonus	Directors' Fees	Total
Name of Director				
Below S$250,000				
Anthony Kuek	–	–	100%	100%
Wong Quee Quee, Jeffrey	–	–	100%	100%
Fung Kau Lee, Glenn	–	–	100%	100%
S$250,000 – S$499,999				
Ng Say Tiong	77%	23%	–	100%
Lee Kok Beng	82%	18%	–	100%
S$500,000 – S$749,999				
Sydney Yeung	88%	12%	–	100%
Name of Key Management				
Below S$250,000				
Lee Tin Yau, Eugene	84%	16%	–	100%
Wong Liong Khoon	88%	12%	–	100%
Orr Bee Lay	87%	13%	–	100%
Ahuja Vikram	70%	30%	–	100%

The Company has disclosed each director and KMP of the Group (excluding Directors of the Company) in bands of S$250,000. The remuneration of each of the KMP does not exceed S$250,000 for FY2022. The total remuneration paid to the KMPs for FY2022 is S$595,444. 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.

The disclosure of remuneration bands of the KMP is on a voluntary basis pursuant to the Code of Corporate Governance. The KMP (notwithstanding that they are not considered key persons/executive officers of the Group for the purposes of the Catalist Rules), being the top three personnel on a managerial level (who are not Directors or the CEO of the Company) of the Group, are listed in the remuneration table for a more holistic presentation of the remuneration framework of the Group.

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Save for Sydney Yeung, who is an employee as our 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 an 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 loss from unauthorised use or dispositions, that transactions are properly authorised, and proper financial records are maintained.

Assurance from the CEO, 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:

(a) Board Committee meetings were held with key management personnel to discuss and review the financial and operational performance of the Group, internal control issues, where applicable, were discussed and addressed during such meetings;

(b) 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;

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(c) A review of financial, operational and compliance matters was performed by the internal audit team and significant internal control matters were highlighted to the CFO and key management personnel and appropriately addressed by respective business units; and

(d) 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 2022 in relation to the prevention of material financial misstatements or loss, the maintenance of proper accounting records, the safeguarding of shareholders' investments and of the Company's assets, compliance with appropriate legislation, regulation and best practices, and the identification and management of business risks.

Principle 10: Audit Committee

AC Composition and Role

For FY2022, 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 four 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, including the following:

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 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;

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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;

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 Listing Manual 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 FY2022 on pages 72 to 75 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 BDO LLP, for re-appointment as the Company's External Auditors in respect of financial year ending 31 December 2023 ("**FY2023**") at the forthcoming AGM. Aggregate fees paid/payable to the external auditors of the Company for audit services amounted to S$184,000 for FY2022. During FY2022, there was no non-audit related work carried-out by the external auditors. Hence, 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.

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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 auditor reviews 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 internal audit team maintains its independence as the members do not handle direct operational matters or maintain the accounts for the business units that they are auditing within the Group. 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.

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 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 SGX-ST's Catalist Rules, the Securities and Futures Act 2001 of Singapore, the Singapore Code on Takeovers & Mergers, and the Companies Act 1967 of Singapore 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 FY2022, there was no incident of concern reported to the AC.

Corporate Governance Report

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.

Pursuant to Rule 907 of the Catalist Rules, there were no interested person transactions entered into by the Company for the year under review.

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 35 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.

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 annual general meetings 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.

Corporate Governance Report

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 14 days before the scheduled date. The Board welcomes questions from shareholders, either formally at the AGM or informally, before and after the AGM.

In view of the COVID-19 situation, the last AGM was held by electronic means on 29 April 2022 (the "**AGM 2022**") pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of the COVID-19 (Temporary Measures) Act 2020 (Act 14 of 2020) and the Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (as updated from time to time). Alternative arrangements relating to attendance at the AGM 2022 via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio feed), submission of questions to Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, were put in place for the AGM. There were no other general meetings held by the Company save for the AGM 2022.

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 28 July 2023 (the "**AGM 2023**"). There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM 2023, submission of questions to the Chairman of the meeting in advance of, or at, the AGM 2023 and voting at the AGM 2023 by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 13 July 2023.

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 as soon as practicable.

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 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 FY2022.

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 10 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.

In light of the COVID-19 pandemic situation, the AGM 2022 was held by way of electronic means, 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 April 2022 prior to commencement of the AGM on 29 April 2022. Except for Mr. Glenn Fung, all other Directors were present at the AGM 2022 that was held electronically.

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 2023 of the Company, shareholders are allowed to submit questions relating to the annual report, letter to shareholders, 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 72 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 15 to 16 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 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. However, a sum of S$46,000 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.

Use of Proceeds

The Group raised net proceeds amounting to approximately S$4.835 million (the "**Net Proceeds**") from the issue of 83,333,300 new ordinary shares pursuant to a placement exercise completed on 6 September 2021 (the "**Placement**").

Corporate Governance Report

As at the date of this Annual Report, the use of Net Proceeds from the Placement is as follows:–

Use of Proceeds	Amount allocated[1] S$'000	Percentage allocation %	Amount utilised as at the date of this Report S$'000	Percentage utilisation	Balance
Financing the Group's business expansion	4,365	90.28	4,365[2][3][4]	100%	Nil
General working capital of the Group	470	9.72	470[5]	100%	Nil

Notes:

(1) Please refer to the announcement dated 6 October 2022 for the re-allocation and use of Net Proceeds from the Placement.

(2) S$1,000,000 has been disbursed over the last quarter of 2021 to the first quarter of 2022 for purchase of materials in preparation of the Group's production of electric 2-wheelers.

(3) S$3,000,000 has been disbursed as cash consideration following the completion of acquisition of 100% of the share capital of Edison Motors. The cash consideration has been paid in the following manner:

(i) S$1,500,000 was paid on completion of the acquisition (30 March 2022); and

(ii) S$1,500,000 was paid on the date falling 6 months from completion of the acquisition (6 October 2022).

Please refer to the Company's announcements dated 19 November 2021, 24 March 2022 and 30 March 2022 for more information in relation to the acquisition of Edison Motors.

(4) S$365,000 had been utilised over a period from February 2022 to October 2022 to engage third party software developers to design and develop the software for the electronic control unit of the electric 2-wheelers.

(5) S$470,000 had been utilised in September 2021 to expedite the monetisation process of the Group's oil and gas investment through its associate. The amount has been provided as general working capital to the associate for daily operating expenses in connection with overall drilling activities such as field site security expenses, purchase of casing and cement, and rental of equipment.

The above utilization of the Net Proceeds from the Placement is in accordance with the stated use and percentage allocated as disclosed in the Company's announcement dated 6 October 2022 in relation to the Placement.

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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 2022, the statement of financial position of the Company as at 31 December 2022 and the statement of changes in equity of the Company for the financial year ended 31 December 2022.

1. Opinion of the Directors

In the opinion of the Board of 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 2022, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, and as disclosed in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:
Mr Yeung Kin Bond, Sydney
Mr Ng Say Tiong
Mr Lee Kok Beng
Mr Kuek Eng Chye, Anthony
Mr Fung Kau Lee, Glenn
Mr Wong Quee Quee, Jeffrey

3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the 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 5 below.

Directors' Statement

4. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follow:

Name of Directors and companies in which interests are held	Shareholdings registered in the name of Directors As at 1 January 2022	 As at 31 December 2022	Shareholdings in which Directors are deemed to have an interest As at 1 January 2022	 As at 31 December 2022
Company:				
GSS Energy Limited				
(Number of ordinary shares)				
Yeung Kin Bond, Sydney(1)	90,333,499	90,333,499	1,400,001	1,400,001
Fung Kau Lee, Glenn(2)	–	–	72,700,000	72,700,000
Wong Quee Quee, Jeffrey	800,000	800,000	–	–
Lee Kok Beng	905,000	905,000	–	–
Options in respect of ordinary shares(3)(4)				
Yeung Kin Bond, Sydney	7,400,000	–	–	–
Ng Say Tiong(5)	13,000,000	11,000,000	–	–
Lee Kok Beng(5)	2,400,000	1,600,000	–	–

(1) Roots Capital Limited ("Roots Capital") owns 1,400,001 (2021: 1,400,001) shares in the Company and Mr Yeung Kin Bond, Sydney is the sole director of Roots Capital. As at the beginning and end of the financial year, Mr Yeung Kin Bond, Sydney holds 100% of the issued share capital of Roots Capital and accordingly, he is deemed to have an interest in the shares held by Roots Capital.

(2) Sundan Pacific Limited ("Sundan Pacific") owns 72,700,000 (2021: 72,700,000) shares in the Company and Mr Fung Kau Lee, Glenn is the managing director of Sundan Pacific. As at the beginning and end of the financial year, Mr Fung Kau Lee, Glenn holds 100% of the issued share capital of Sundan Pacific and accordingly, he is deemed to have an interest in the shares held by Sundan Pacific.

(3) The share option scheme which GSS Energy Limited ("GEL 2017 Scheme") has for key management personnel and employees of the Group was approved by members of the Company at the annual general meeting of the Company on 24 April 2017 and is a share incentive scheme. The GSS Energy Limited 2018 Executives Option Scheme ("GEL 2018 Scheme") was approved on 23 April 2018 by members of the Company and is a share incentive scheme as well. Under the GEL 2017 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 2017 Scheme and GEL 2018 Scheme.

(4) Actual number of ordinary shares to be released subject to their share option exercises. During the financial year under review, Mr Yeung Kin Bond, Sydney's 7,400,000 share options, Mr Ng Say Tiong's 2,000,000 share options and Mr Lee Kok Beng's 800,000 share options granted under the GEL 2017 scheme had lapsed.

(5) 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 2017 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 2023 in the shares of the Company have not changed from those disclosed as at 31 December 2022.

Directors' Statement

5. Share options

The GSS Energy Limited Executives' Share Option Scheme (the "GEL 2017 Scheme") for key management personnel and employees of the Group (collectively referred to as "Eligible Persons") was approved by members of the Company at the Annual General Meeting on 24 April 2017.

On 23 April 2018, the members of the Company approved GSS Energy Limited 2018 Executives' Option Scheme ("GEL 2018 Scheme").

The GEL Scheme and GEL 2018 Scheme are share 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 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 shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the GEL Schemes are adopted by Shareholders.

Under 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 ("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 Scheme, the Company issued and allotted 700,000 new ordinary shares ("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 2017 Scheme.

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 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 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.

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 a discount to the Market Price. The discount shall not exceed 20% of Market Price.

(i) <u>Options granted on 27 February 2017 under GEL Schemes</u>

The Company granted a total of 39,800,000 options to subscribe for ordinary shares of the Company at market 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 FY2022.

Directors' Statement

5. Share options (Continued)

(ii) Options granted on 23 February 2018 under GEL Schemes

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 is 24 months from the grant date and the exercise period was from 23 February 2020 to 22 February 2023.

(iii) Options granted on 9 March 2022 under GEL 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. Letters of Offer for grant of options to selected employees were issued on 9 March 2022 ("grant date"). The vesting period for the options is 24 months from the grant date and the exercise period is from 10 March 2024 to 9 March 2027.

(iv) Options granted details

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

Name	Options granted during financial year under review '000	Aggregate options granted since commencement of the scheme to the end of the financial year under review '000	Aggregate options exercised since commencement of the scheme to financial year under review '000	Aggregate options cancelled and lapsed since commencement of the scheme to financial year under review '000	Aggregate options outstanding at the end of financial year under review '000
Directors					
Yeung Kin Bond, Sydney	–	7,400	–	(7,400)	–
Ng Say Tiong	–	13,000	–	(2,000)	11,000
Lee Kok Beng	–	2,400	–	(800)	1,600
Kuek Eng Chye, Anthony	–	1,400	–	(1,400)	–
Glenn Fung Kau Lee	–	700	–	(700)	–
Others	6,000	55,523	(700)	(47,300)	7,523
	6,000	80,423	(700)	(59,600)	20,123

(b) There were no options granted to the directors of the company, controlling shareholders of the company and their associates during the financial year under review.

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

(d) 5,000,000 (2021: Nil) of the options have been granted to directors of subsidiaries and 1,000,000 (2021: Nil) of the options have been granted to employees of subsidiaries, during the financial year under review.

(e) On 9 March 2022, 6,000,000 share options were granted at a discount of 20% to the market price of shares at the time of grant.

Directors' Statement

5. **Share options** (Continued)

(iv) **Options granted details** (Continued)

(f) Under the GEL Schemes, share options granted, exercised and lapsed during the financial year under review and outstanding as at 31 December 2022 were as follows:

Date granted	Balance at 1 January 2022 '000	Granted '000	Lapsed/ Cancelled '000	Balance at 31 December 2022 '000	Exercise price $	Exercise period
27 February 2017	10,200	–	(10,200)	–	0.09856	27 February 2019 to 26 February 2022
23 February 2018	15,123	–	–	15,123	0.12512	23 February 2020 to 22 February 2023
9 March 2022	–	6,000	(1,000)	5,000	0.05664	10 March 2024 to 9 March 2027
	25,323	6,000	(11,200)	20,123		

6. **Audit Committee**

The Audit Committee ("AC") is currently chaired by Mr Wong Quee Quee, Jeffrey (independent Director) and includes Mr Kuek Eng Chye, Anthony (an independent Director) and Mr Fung Kau Lee, Glenn (Non-Executive Director) as members.

The AC convened three meetings during the financial year under review, attended by the members of the AC and relevant management staff. The AC also meets with the external and internal auditor without the presence of the Company's management, at least once a year.

The AC carries out its functions in accordance with Section 201B(5) of the Act and the Code of Corporate Governance 2018, including the following:

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

(ii) Reviews the scope and results of internal audits of the Group conducted by external professional consultant;

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

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

(vi) Ensures the co-operation and assistance by management to external auditors;

(vii) Makes 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;

Directors' Statement

6. **Audit Committee** (Continued)

(viii) Reviews "interested person transactions" as defined in Chapter 9 of the Catalist Rules as is required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company; and

(ix) Performs 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 were no non-audit services provided to the Company by the external auditor for the financial year ended 31 December 2022.

The AC has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

Based on the internal and financial controls established and maintained by the Group and the reviews performed by the management and the external auditor's review of the accounting internal controls, the AC and the Board are of the opinion that the Group's internal controls addressing financial, operational and compliance risks, are adequate as at 31 December 2022.

7. **Independent auditor**

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. **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 18 to 19 the financial statements. In the opinion of the Board of Directors and 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.

On behalf of the Board of Directors

Yeung Kin Bond, Sydney
Director

Ng Say Tiong
Director

Singapore
7 July 2023

Independent Auditor's Report

To the Members of GSS Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GSS Energy Limited (the "Company") and its subsidiaries (the "Group") as set out on page 79 to 156, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the 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)s") 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 2022, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity for the Company for the 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 Group 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 period. 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.

Independent Auditor's Report
To the Members of GSS Energy Limited

Key Audit Matters (Continued)

1	Investment in an Associate and Amount Due from an Associate

Key Audit Matter

The Group's and the Company's investment in an associate, GSS Energy Trembul Limited ("GETL") comprised investment in equity interest of $2,791,000 and $2,791,000 respectively and amount due from the associate of $9,862,000 and $9,862,000 respectively. The primary business of GETL and its subsidiary, P.T. Sarana GSS Trembul (Indonesia) ("PTSGT") is in the oil and gas industry in Indonesia.

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, were unable to successfully obtain an appeal by 31 December 2022. PTSGT has recorded a full impairment loss on its exploration and evaluation assets as at 31 December 2022. Accordingly, the Group has recorded share of loss of the associate of approximately $2,753,000 during the financial year and the Company has recorded a full impairment loss of approximately $2,791,000 for the investment in an associate during the financial year. The Group and the Company have recorded a full impairment loss on amount due from the associate of approximately $9,862,000 during the financial year. As at date of this report, there has not been any development in the appeal.

We focused on this area as a key audit matter due to significance of the investment in an associate and amount due from an associate.

Related Disclosures

Refer to Notes 2.14, 2.15, 2.16, 3(b)(ii) and 19 of the accompanying financial statements.

Audit Response

We performed the following procedures, amongst others:

- Evaluated management's impairment assessment in estimating the recoverable amount of the investments in view of the termination of KSO Agreement;

- Evaluated management's assessment of expected credit loss in relation to the amount due from the associate in accordance with SFRS(I) 9 *Financial Instruments* by determining, inter alia, the appropriateness of the credit risk level in view of the termination of KSO Agreement; and

- Assessed the adequacy of the relevant disclosures made by management in the financial statements.

Independent Auditor's Report

To the Members of GSS Energy Limited

Key Audit Matters (Continued)

2	**Business combination of Edison Motors Co., Ltd.**

Key Audit Matter

On 30 March 2022, the Group's wholly-owned subsidiary (i.e. Giken Mobility Pte. Ltd.) has completed its acquisition of 100% of the share capital of Edison Motors Co., Ltd. ("Edison Motors") for an aggregate consideration of $7,250,000. $3,250,000 was satisfied by the issuance and allotment of 50,000,000 new shares in the capital of GSS Energy Limited and $4,000,000 by cash.

Management has carried out its assessment on the above acquisition and has determined it has obtained control from the date of acquisition.

The management has engaged external valuer to prepare the purchase price allocation ("PPA") to determine the fair value of Edison Motors' identifiable assets acquired and liabilities assumed as at the date of acquisition in accordance with SFRS(I) 3 *Business Combination*.

We have determined the acquisition of Edison Motors to be a key audit matter as the acquisition is a material transaction during the financial year and involved significant judgements and estimates with regard to the valuation process.

Related Disclosures

Refer to Notes 2.3, 2.11, 14, 18 and 21 of the accompanying financial statements.

Audit Response

We performed the following procedures, amongst others:

- Reviewed the sales and purchase agreement for the acquisition;

- Assessed management's determination of the date on which the Group obtained control over Edison Motors;

- Assessed the independence and competency of the external valuer which included considering their experience and qualification in performing valuation for such business combination;

- Discussed with the external valuer on the valuation methodologies used, key assumptions used and the results of their work;

- Engaged our internal valuation specialists to evaluate the valuation methodologies, identification of the relevant intangible assets acquired and valuation of deferred consideration;

- Reviewed the accounting treatment and consolidation entries arising from the acquisition and ensure compliance with SFRS(I) 3 *Business Combination*; and

- Assessed the adequacy of the relevant disclosure in the financial statements in relation to this acquisition.

Independent Auditor's Report

To the Members of GSS Energy Limited

Key Audit Matters (Continued)

3	**Impairment assessment of goodwill and intellectual properties arising from acquisition of Edison Motors Co., Ltd.**

Key Audit Matter

As of 31 December 2022, the carrying amount of the goodwill and intellectual properties arising from acquisition of Edison Motors was approximately $6,395,000 and $1,065,000 respectively.

In accordance with SFRS(I) 1-36 *Impairment of Assets*, goodwill arising from the acquisition of subsidiaries is required to be tested for impairment at least annually, irrespective of whether there is any indication of impairment. Intellectual properties are tested for impairment when there is an indication that the asset may be impaired.

For the purpose of impairment assessment, management prepared discounted cash flows forecasts for the cash generating units to determine if any impairment is required. Based on management's assessment, no impairment loss on goodwill and intellectual properties arising from acquisition of Edison Motors was recognised for the financial year.

We have determined the impairment assessment of the goodwill and intellectual properties arising from acquisition of Edison Motors to be a key audit matter as the impairment assessment involved significant management's judgements and estimates with regard to the key assumptions on the future market conditions, growth rates and discount rate used in the discounted cash flow forecasts prepared by management.

Related Disclosures

Refer to Notes 2.11, 3(b)(vi), 14, 18 and 21 of the accompanying financial statements.

Audit Response

We performed the following procedures, amongst others:

- Discussed with management and evaluated the key assumptions made by management in preparing the discounted cash flows, including comparing the revenue growth rates and terminal growth rates against market data;
- Engaged our internal valuation specialists to evaluate reasonableness of the discount rate used;
- Performed sensitivity analysis around the key assumptions, including the revenue growth rate, discount rate and terminal growth rate, used in cash flow forecasts; and
- Assessed the adequacy of the disclosure in the financial statements with respect to the impairment assessment.

Independent Auditor's Report

To the Members of GSS Energy Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, 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.

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 SFRS(I)s, 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 Group'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 Group 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.

Independent Auditor's Report

To the Members of GSS Energy Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

- 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.

- 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 Group's internal control.

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

- 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 Group'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 Group to cease to continue as a going concern.

- 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.

- 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.

Independent Auditor's Report

To the Members of GSS Energy Limited

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 Yeo Siok Yong.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
7 July 2023

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2022

	Note	2022 $'000	2021 $'000
Revenue	4	**129,691**	117,488
Cost of sales		**(113,838)**	(99,204)
Gross profit		**15,853**	18,284
Other items of income			
Other income	5	**890**	1,774
Interest income	6	**92**	174
Other items of expense			
Selling and distribution expenses		**(11,694)**	(9,916)
Administrative expenses		**(5,091)**	(4,002)
Other expenses	8	**(500)**	(17)
Finance costs	9	**(1,412)**	(466)
Loss allowance on trade receivables and amount due from an associate	19, 24	**(10,042)**	–
Share of loss of an associate, net of tax	19	**(2,753)**	(10)
(Loss)/Profit before income tax	10	**(14,657)**	5,821
Income tax expense	11	**(436)**	(772)
(Loss)/Profit for the financial year		**(15,093)**	5,049
Other comprehensive income:			
Item that may not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit pension scheme	32	**(556)**	(95)
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations		**(1,542)**	1,353
Other comprehensive income for the financial year, net of tax		**(2,098)**	1,258
Total comprehensive income for the financial year		**(17,191)**	6,307
(Loss)/Profit attributable to:			
Owners of the parent		**(14,904)**	5,166
Non-controlling interests		**(189)**	(117)
		(15,093)	5,049
Total comprehensive income attributable to:			
Owners of the parent		**(17,037)**	6,411
Non-controlling interests		**(154)**	(104)
		(17,191)	6,307
(Loss)/Earnings per share (cents)			
Basic	12	**(2.41)**	0.99
Diluted	12	**(2.41)**	0.99

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

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**23,825**	23,485	**2**	3
Intangible assets	14	**1,447**	8	**–**	–
Right-of-use assets	15	**14,704**	5,733	**–**	–
Land use rights	16	**1,209**	1,382	**–**	–
Exploration and evaluation assets	17	**–**	–	**–**	–
Investment in subsidiaries	18	**–**	–	**16,340**	16,263
Investment in an associate	19	**–**	2,753	**–**	2,791
Due from an associate	19	**–**	9,862	**–**	9,862
Deferred tax assets	20	**563**	37	**–**	–
Goodwill	21	**6,507**	112	**–**	–
Due from a subsidiary	22	**–**	–	**6,250**	–
		48,255	43,372	**22,592**	28,919
Current assets					
Due from subsidiaries	22	**–**	–	**802**	2,408
Inventories	23	**30,055**	33,907	**–**	–
Trade receivables	24	**11,099**	26,535	**–**	–
Other receivables and deposits	25	**3,544**	6,492	**5**	4
Prepayments		**481**	236	**12**	10
Due from a related party	26	**276**	282	**–**	–
Cash and bank balances	27	**15,151**	15,737	**88**	768
		60,606	83,189	**907**	3,190
Total assets		**108,861**	126,561	**23,499**	32,109

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

Statements of Financial Position

As at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
EQUITY AND LIABILITIES					
Current liabilities					
Due to a subsidiary	22	**–**	–	**2,147**	405
Trade payables	28	**20,930**	26,356	**–**	–
Other payables and accruals	29	**8,131**	8,478	**200**	241
Lease liabilities	30	**5,720**	1,487	**–**	–
Current income tax payable		**538**	871	**–**	–
Loans and borrowings	31	**11,940**	14,524	**–**	–
		47,259	51,716	**2,347**	646
Net current (liabilities)/assets		**13,347**	31,473	**(1,440)**	2,544
Non-current liabilities					
Deferred tax liabilities	20	**322**	108	**–**	–
Other payables and accruals	29	**45**	511	**–**	–
Lease liabilities	30	**5,486**	3,638	**–**	–
Loans and borrowings	31	**2,448**	3,970	**–**	–
Retirement benefit obligations	32	**2,040**	1,493	**–**	–
		10,341	9,720	**–**	–
Total liabilities		**57,600**	61,436	**2,347**	646
Net assets		**51,261**	65,125	**21,152**	31,463
Equity attributable to owners of the parent					
Share capital	33	**66,666**	63,416	**66,666**	63,416
Accumulated losses		**(18,820)**	(3,360)	**(49,315)**	(35,677)
Other reserves	34	**4,781**	6,291	**3,801**	3,724
		52,627	66,347	**21,152**	31,463
Non-controlling interests		**(1,366)**	(1,222)	**–**	–
Total equity		**51,261**	65,125	**21,152**	31,463
Total equity and liabilities		**108,861**	126,561	**23,499**	32,109

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2022

	Note	Share capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Share options reserve $'000	Equity non-controlling interests $'000	Total equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Group										
Balance at 1 January 2022		**63,416**	**(3,360)**	**962**	**1,473**	**3,724**	**132**	**66,347**	**(1,222)**	**65,125**
Loss for the financial year		**–**	**(14,904)**	**–**	**–**		**–**	**(14,904)**	**(189)**	**(15,093)**
Other comprehensive income for the financial year										
Remeasurement of defined benefit scheme	32	**–**	**(556)**	**–**	**–**	**–**	**–**	**(556)**	**–**	**(556)**
Exchange differences arising from translation of foreign operations		**–**	**–**	**(1,577)**	**–**	**–**	**–**	**(1,577)**	**35**	**(1,542)**
Total comprehensive income for the financial year		**–**	**(15,460)**	**(1,577)**	**–**	**–**	**–**	**(17,037)**	**(154)**	**(17,191)**
Total transactions with owners, recognised directly in equity										
Issuance of ordinary shares	33	**3,250**	**–**	**–**	**–**	**–**	**–**	**3,250**	**–**	**3,250**
Acquisition of non-controlling interests without a change in control		**–**	**–**	**–**	**–**	**–**	**(10)**	**(10)**	**10**	**–**
Share option expenses		**–**	**–**	**–**	**–**	**77**	**–**	**77**	**–**	**77**
		3,250	**–**	**–**	**–**	**77**	**(10)**	**3,317**	**10**	**3,327**
Balance at 31 December 2022		**66,666**	**(18,820)**	**(615)**	**1,473**	**3,801**	**122**	**52,627**	**(1,366)**	**51,261**
Balance at 1 January 2021		58,591	(8,310)	(378)	1,352	3,724	132	55,111	(1,118)	53,993
Profit for the financial year		–	5,166	–	–	–	–	5,166	(117)	5,049
Other comprehensive income for the financial year										
Remeasurement of defined benefit scheme	32	–	(95)	–	–	–	–	(95)	–	(95)
Exchange differences arising from translation of foreign operations		–	–	1,340	–	–	–	1,340	13	1,353
Total comprehensive income for the financial year		–	5,071	1,340	–	–	–	6,411	(104)	6,307
Total transactions with owners, recognised directly in equity										
Issuance of ordinary shares	33	4,825	–	–	–	–	–	4,825	–	4,825
Transfer to statutory reserve		–	(121)	–	121	–	–	–	–	–
		4,825	(121)	–	121	–	–	4,825	–	4,825
Balance at 31 December 2021		63,416	(3,360)	962	1,473	3,724	132	66,347	(1,222)	65,125

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

Statement of Changes in Equity

For the Financial Year Ended 31 December 2022

	Note	Share capital $'000	Accumulated losses $'000	Share options reserve $'000	Total equity $'000
Company					
Balance at 1 January 2022		**63,416**	**(35,677)**	**3,724**	**31,463**
Loss for the financial year, representing total comprehensive income for financial year		**–**	**(13,638)**	**–**	**(13,638)**
Share-based payments plan value of employee services		**–**	**–**	**77**	**77**
Total transactions with owners, recognised directly in equity					
Issuance of ordinary shares	33	**3,250**	**–**	**–**	**3,250**
Balance at 31 December 2022		**66,666**	**(49,315)**	**3,801**	**21,152**
Balance at 1 January 2021		58,591	(34,928)	3,724	27,387
Loss for the financial year, representing total comprehensive income for financial year		–	(749)	–	(749)
Total transactions with owners, recognised directly in equity					
Issuance of ordinary shares	33	4,825	–	–	4,825
Balance at 31 December 2021		63,416	(35,677)	3,724	31,463

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2022

	Note	2022 $'000	2021 $'000
Operating activities			
(Loss)/Profit before income tax		**(14,657)**	5,821
Adjustments for:			
Allowance for inventory obsolescence	23	**343**	–
Amortisation of intangible assets	14	**14**	5
Amortisation of land use rights	16	**57**	57
Amortisation of right-of-use assets	15	**2,523**	1,529
Depreciation of property, plant and equipment	13	**2,818**	2,616
Finance costs	9	**1,412**	466
Gain on disposal of property, plant and equipment	5	**(4)**	(459)
Loss allowance on amount due from an associate	19	**9,862**	–
Loss allowance on trade receivables	24	**180**	–
Interest income	6	**(92)**	(174)
Inventories written off	23	**30**	51
Overprovision of retirement benefits obligation in prior year	5	**–**	(531)
Share of loss of an associate	19	**2,753**	10
Share option expenses	34	**77**	–
Unrealised exchange difference		**(276)**	(132)
Operating profit before working capital changes		**5,040**	9,259
Working capital changes:			
Inventories		**3,205**	(18,959)
Trade receivables		**15,541**	12,222
Other receivables and deposits		**2,998**	(3,346)
Prepayments		**(253)**	(35)
Due from an associate		**–**	(9)
Trade payables		**(5,183)**	5,167
Other payables and accruals		**(2,201)**	(2,037)
Provision for retirement benefit obligations		**(9)**	115
Cash generated from operations		**19,138**	2,377
Interest received		**23**	174
Income taxes paid		**(1,328)**	(1,062)
Net cash generated from operating activities		**17,833**	1,489

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2022

	Note	2022 $'000	2021 $'000
Investing activities			
Acquisition of short-term investments		**(10,114)**	(14,435)
Proceeds from disposal of short-term investments		**10,183**	15,059
Acquisition of subsidiary, net of cash acquired	18	**(2,871)**	–
Proceeds from disposal of property, plant and equipment		**4**	472
Purchase of intangible assets		**(394)**	–
Purchase of property, plant and equipment	13	**(3,691)**	(865)
Loan to an associate		**–**	(461)
Net cash used in investing activities		**(6,883)**	(230)
Financing activities			
Proceeds from bank loans	A	**79,614**	65,803
Repayment of bank loans	A	**(83,998)**	(60,677)
Proceeds from issue of ordinary shares	33	**–**	4,825
Initial payment of obligation under leases	15	**(3,216)**	(557)
Repayments of principal of lease liabilities	30	**(2,403)**	(1,560)
Repayments of interest of lease liabilities	30	**(243)**	(125)
Interest paid		**(1,169)**	(341)
Net cash (used in)/generated from financing activities		**(11,415)**	7,368
Net change in cash and cash equivalents		**(465)**	8,627
Effect of foreign exchange rate changes in cash and cash equivalents		**(121)**	46
Cash and cash equivalents at beginning of financial year		**15,737**	7,064
Cash and cash equivalents at end of financial year	27	**15,151**	15,737

Note A: Reconciliation of liabilities arising from financing activities

	At the beginning of the financial year $'000	Cash flows $'000	Non-cash changes: Foreign exchange differences $'000	At the end of the financial year $'000
2022				
Bank borrowings	**18,494**	**(4,384)**	**278**	**14,388**
2021				
Bank borrowings	13,189	5,126	179	18,494

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

GSS Energy Limited (the "Company" or "GSS") is a public company limited by shares incorporated and domiciled in Singapore. The Company is listed since 12 February 2015 on the Catalist board of Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registration number is 201432529C. Its registered office is at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 and its principal place of business is at Blk 4012 Ang Mo Kio Ave 10 #05-01 Techplace 1, Singapore 569628.

The principal activities of the Company are those of investment holding and provides management support strategic direction for its Group's companies. The principal activities of the subsidiaries and an associate are disclosed in Notes 18 and 19, respectively, to the financial statements. Related companies in these financial statements refer to members of the GSS Energy Limited group.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000") as indicated.

The preparation of financial statements in compliance with SFRS(I)s requires the management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

As at 31 December 2022, the Company's current liabilities exceeded its current assets by approximately $1,440,000.

Management has assessed that the going concern assumption is appropriate and has asserted that the Company's principal liabilities are amount due to a subsidiary of approximately $2,147,000 (2021: $405,000) and therefore, the timing of repayment is within the control of the Company and the risk of being called into default is minimal. In addition, undistributed reserves in the subsidiary may, if required, be utilized to rectify the net current liabilities position.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2022

The standards, amendments to standards, and interpretations published that will apply for the first time by the Group and the Company are not expected to impact the Group and the Company as they are either not relevant to the Group's and the Company's business activities or require accounting which is consistent with the Group and the Company's current accounting policies.

SFRS(I) issued but not yet effective

As at the date of authorisation of these financial statements, the Group and the Company have not adopted the following SFRS(I) that have been issued but are not yet effective:

			Effective date (annual periods beginning on or after)
SFRS(I) 1-1 (Amendments)	:	Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16 (Amendments)	:	Lease Liability in a Sale and Leaseback	1 January 2024
SFRS(I) 17	:	Insurance Contracts	1 January 2023
Various	:	Amendments to SFRS(I) 17	1 January 2023
Various	:	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8 (Amendments)	:	Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1 (Amendments)	:	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 1-12 (Amendments)	:	International Tax Reform-Pillar Two Model Rules	1 January 2023
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 17 (Amendments)	:	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2024
SFRS(I) 1-7 and SFRS(I) 7 (Amendments)	:	Supplier Finance Arrangements	1 January 2024
Various	:	Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants	1 January 2024

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management anticipates that the adoption of the above SFRS(I)s in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Control is reassessed whenever the facts and circumstances indicate that there may be a change in the elements of control.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. **Summary of significant accounting policies** (Continued)

2.2 **Basis of consolidation** (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate.

In the separate financial statements of the Company, investments in subsidiaries and associate are carried at cost less any impairment loss that has been recognised in profit or loss.

2.3 **Business combinations**

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group’s previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both.

Sale of mechanism and microshaft products

The Group is involved in the supply of mechanism, microshaft and other related precision engineering products. The revenue is recognised at a point in time when control of the goods is transferred to the customers. This is generally when the goods are delivered to the customers. For overseas sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract. Revenue is measured at transaction price agreed under contract with credit term of 30 to 120 days.

Rendering of services – Product assembly

The product assembly services involved assembling of parts and material, packaging and labelling. There is only one distinct performance obligation identified under the contracts with customers which is to provide assembly services to the customers. Revenue is recognised at a point in time when the significant acts have been completed and when transfer of control occurs.

The revenue is measured at the transaction price agreed under the contract with a credit term of 30 to 95 days.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.6 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as expenses as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2. **Summary of significant accounting policies** (Continued)

2.6 **Employee benefits** (Continued)

Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the financial year.

Retirement gratuity

Retirement benefits payable to certain categories of employees upon their retirement are provided for in the financial statements based on their entitlement under the staff benefit plan.

The Group's net obligation in respect of retirement benefits is the amount of future benefits that employees have earned in return for their service in current and prior periods. The obligation is calculated using projected salary increases and is discounted to its present value, and the fair value of any related assets is deducted.

Employee service entitlement benefits

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit plan surpluses and deficits are measured at:

– The fair value of plan assets at the reporting date; less

– Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities.

Remeasurements of the net defined benefit obligation are recognised directly within equity. The remeasurements include:

– Actuarial gains and losses

– Return on plan assets (interest exclusive)

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the year.

Gains or losses arising from changes to plan benefits or plan curtailment are recognised immediately in profit or loss.

Settlements of defined benefit plan are recognised in the period in which the settlement occurs.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.7 Equity-settled share-based payment

The Group operates GSS Energy Limited Executives' Share Option Scheme which allows it to issue equity-settled share-based payments to selected key management personnel and employees of the Group. For equity-settled share-based payment, the fair value of the services received is recognised as an employee expense, with a corresponding increase in equity, over the vesting period during which the executives become unconditionally entitled to the equity instrument. The fair value of the services is determined by reference to the fair value of the equity instrument granted at the grant date.

The cumulative expense recognised for equity-settled transactions at each reporting date reflects the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for the financial year represents the movement in cumulative expense recognised as at the beginning and end of that financial year.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of equity instrument, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. **Summary of significant accounting policies** (Continued)

2.8 **Income tax** (Continued)

Deferred tax (Continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Unrecognised deferred tax assets are reassessed at the end of each financial year and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.9 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currency") are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are re-translated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlements of monetary items and on re-translation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), are taken to the foreign currency translation reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.10 Property, plant and equipment (Continued)

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

Leasehold buildings	20 years
Leasehold improvements	5 to 10 years
Machinery, furniture and equipment	3 to 10 years
Motor vehicles	4 years

Construction in progress and tooling in progress, which represent direct costs incurred for construction of factory, office premises and tooling equipment. No depreciation is charged on as they are not yet in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful life and depreciation method are reviewed at the end of each reporting period to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.11 Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred (see Note 2.3), the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill on acquisition of subsidiaries prior to 1 January 2010 represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.11 Intangible assets (Continued)

Goodwill (Continued)

Goodwill of subsidiaries is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Computer software

Acquired computer software are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3-10 years.

Intellectual properties

Intellectual properties are stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 10 years.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.12 Land use rights

Land use rights are initially recognised at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment loss. Land use rights are amortised over a lease term of 50 years.

2.13 Exploration, evaluation and development assets ("EE&D")

Exploration and evaluation assets

Exploration and evaluation activity involves the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss. Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

(i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or alternatively, by its sale; or

(ii) exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets comprise costs that are directly attributable to: researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

Exploration and evaluation assets are transferred to development assets or oil and gas properties, when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. If no potentially commercial oil and gas reserves are discovered, the exploration asset is written off as dry hole in profit or loss. If extractable oil and gas reserves are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an exploration and evaluation asset while sufficient/continued progress is made in assessing the commerciality of the oil and gas reserves.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.13 Exploration, evaluation and development assets ("EE&D") (Continued)

Development assets

Development assets are incurred within an area of interest as a component of a commercial development phase only upon commitment to a commercial development.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development on delineation wells, is capitalised within development assets.

Depletion is not charged on costs carried in respect of areas of interest in the development phase until production commences. When production commences, carried forward development expenditure are transferred to oil and gas properties.

Development assets are reviewed for impairment in accordance with the Group's accounting policy on impairment of non-financial assets as set out in Note 2.15 to these financial statements.

2.14 Associates

An associate is an entity over which the Group has significant influence. 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.

Associates are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in associate.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of associates and distributions received are adjusted against the carrying amount of the investments.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate.

Where the Group transacts with an associate, unrealised profits are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.15 Impairment of non-financial assets excluding goodwill and exploration and evaluation assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised immediately in profit or loss.

2.16 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the provision matrix to determine the lifetime expected credit losses. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables and deposits, cash and bank balances, and due from subsidiaries, an associate and a related party, are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade receivables, other receivables (excluding goods and services tax receivable, advance payment and government grant receivables), cash and bank balances, amount due from subsidiaries, amount due from an associate and amount due from a related party in the statements of financial position.

Financial assets at fair value through profit or loss ("FVTPL")

Debt instruments that are held for trading as well as those that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other items of income".

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Offsetting and netting

Financial assets and financial liabilities are only offset and the net amount reported on the statements of financial position when there is a legally enforceable right to set off the recognised amounts and where the Group and the Company intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classified ordinary shares as equity instruments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost.

Trade payables, other payables and accruals and amount due to a subsidiary

Trade payables, other payables and accruals (excluding advances received from customers and deferred grant income) and amount due to a subsidiary are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Loans and borrowings

Interest-bearing bank loans are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.5).

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out method. Costs include all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress and manufactured products, costs include materials, direct labour and an appropriate proportion of production overhead expenditure.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the costs of completion and costs of realisation. Allowance is made for obsolete, slow moving and defective inventories.

2.18 Cash and bank balances

Cash and bank balances consist of cash on hand, cash and deposits with banks and financial institutions. Cash and bank balances 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.19 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.19 Leases (Continued)

As lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated amortisation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are amortised on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are amortised over the useful life of the underlying asset on the following bases:

	Years
Leasehold lands, office premises and warehouse	1 to 5
Equipment	2
Machinery	6

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.15 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

2. Summary of significant accounting policies (Continued)

2.19 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification: (Continued)

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.21 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to asset are deducted against the carrying amount of the asset.

Government grants related to expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under “Other income”. Government grants which are receivables in relation to expenses to be incurred in a subsequent financial period, are included as government grant receivables and deferred grant income, classified as current assets and current liabilities in the statements of financial position.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and the Company's accounting policies, which are described in Note 2 to the financial statements, the management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The carrying amount of goodwill as at 31 December 2022 was $6,507,000 (2021: $112,000).

(ii) Loss allowance for amount due from an associate

The Group and the Company are required to assess and recognise a loss allowance for expected credit loss on amount due from an associate in accordance with SFRS(I) 9 *Financial Instruments.* Management has made the assessment based on whether there has been a significant increase in the credit risk of the amount due from an associate since its initial recognition. Based on the termination of Co-operative agreement from Indonesian state-owned entity ("PT Pertamina"), the Group and the Company assessed the amount of allowance to be recognised based on lifetime expected credit loss model and a loss allowance of $9,862,000 was recognised for the financial year ended 31 December 2022. The carrying amount of the Group's and the Company's amount due from an associate at the end of the financial year was $Nil (2021: $9,862,000 and $9,862,000 respectively).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) 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 set out in Note 32 to the financial statements. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the consolidated statement of comprehensive income and the consolidated statement of financial position. The carrying amount of the Group's defined benefit plan at the end of the financial year was $1,824,000 (2021: $1,279,000) in Indonesia.

(iv) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The average incremental borrowing rate applied to lease liabilities as at 31 December 2022 was 3.76% (2021: 2.73%). The carrying amount of lease liabilities as at 31 December 2022 was $11,206,000 (2021: $5,125,000). If the incremental borrowing rate had been 5% higher or lower than management's estimates, the Group's lease liabilities would have been approximately $560,000 (2022: $256,000) lower or higher for the Group.

(v) Loss allowance for trade receivables

Management establishes the loss allowance for trade receivables based on expected credit loss model. In determining the expected credit losses for trade receivables, management categorised the trade debtors based on their historical loss pattern, historical payment profile and adjusted for the forward looking information such as industry performance.

Additionally, management also evaluates expected credit loss for customers in financial difficulties separately (credit-impaired) and recognised lifetime expected credit loss of $180,000 (2021: $Nil) during the year. The carrying amount of trade receivables of the Group as at 31 December 2022 was approximately $11,099,000 (2021: $26,535,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

4. Revenue

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors; and
- enable users to understand the relationship with revenue segment information provided in Note 36 to the financial statements.

Segments	Mechanisms		Microshafts		Electric vehicle		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets								
Indonesia	**89,603**	74,123	**896**	1,036	**–**	–	**90,499**	75,159
China	**1,096**	5,215	**5,606**	9,465	**–**	–	**6,702**	14,680
Singapore	**15,726**	12,972	**2,193**	1,314	**–**	–	**17,919**	14,286
Italy	**–**	–	**2,435**	1,896	**–**	–	**2,435**	1,896
Germany	**72**	17	**1,591**	1,780	**–**	–	**1,663**	1,797
Malaysia	**43**	19	**1,236**	1,126	**–**	–	**1,279**	1,145
Japan	**1,152**	886	**60**	228	**–**	–	**1,212**	1,114
United State of America	**16**	18	**577**	915	**–**	–	**593**	933
Thailand	**–**	–	**604**	–	**–**	–	**604**	–
Romania	**455**	–	**46**	–	**–**	–	**501**	–
Others	**1,534**	537	**4,744**	5,941	**6**	–	**6,284**	6,478
	109,697	93,787	**19,988**	23,701	**6**	–	**129,691**	117,488
Type of good or services								
Sale of goods	**98,885**	85,640	**19,988**	23,701	**6**	–	**118,879**	109,341
Services rendered	**10,812**	8,147	**–**	–	**–**	–	**10,812**	8,147
	109,697	93,787	**19,988**	23,701	**6**	–	**129,691**	117,488
Timing of transfer of goods and services								
Point in time	**109,697**	93,787	**19,988**	23,701	**6**	–	**129,691**	117,488

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

5. Other income

	Group	
	2022	**2021**
	$'000	**$'000**
Gain on disposal of property, plant and equipment	**4**	459
Government grants		
– Jobs support scheme	**11**	71
– Enterprise Singapore grant	**389**	–
– E2I Enhanced work-life grant income (COVID-19)	**–**	40
– Others	**79**	300
Income from disposal of scrap materials	**199**	158
Sale of circuit boards	**77**	–
Cost recovery for freight claims with customers	**102**	211
Overprovision of retirement benefits obligation in prior year	**–**	531
Others	**29**	4
	890	1,774

6. Interest income

	Group	
	2022	**2021**
	$'000	**$'000**
Financial assets measured at amortised cost		
– Bank and short-term deposits	**23**	79
Financial assets measured at FVTPL		
– Short-term investments	**69**	95
	92	174

7. Employee benefits expense

	Group	
	2022	**2021**
	$'000	**$'000**
Short-term employee benefits	**22,275**	21,796
Defined contribution plans	**2,207**	1,506
Defined benefit plan	**202**	(347)
Employee share options expenses	**77**	–
Other personnel expenses	**1,259**	1,158
	26,020	24,113

The above includes remuneration of Directors and key management as disclosed in Note 35 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

7. Employee benefits expense (Continued)

The employee benefits expense are recognised in the following line items in the consolidated statement of comprehensive income:

	Group	
	2022	2021
	$'000	$'000
Cost of sales	**14,870**	15,116
Selling and distribution expenses	**7,562**	7,327
Administrative expenses	**3,511**	2,201
Other expense	**77**	–
Other income	**–**	(531)
	26,020	24,113

8. Other expenses

	Group	
	2022	2021
	$'000	$'000
Foreign exchange loss, net	**80**	17
Share option expenses	**77**	–
Allowance for inventory obsolescence	**343**	–
	500	17

9. Finance costs

	Group	
	2022	2021
	$'000	$'000
Interest expense		
– loans and borrowings	**1,169**	341
– lease liabilities (Note 30)	**243**	125
	1,412	466

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

10. (Loss)/Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2022 $'000	2021 $'000
Cost of sales		
Cost of inventories recognised as expenses	**82,601**	70,169
Depreciation of property, plant and equipment	**2,502**	1,948
Amortisation of land use rights	**57**	57
Amortisation of right-of-use assets	**2,319**	1,256
Inventories written down	**30**	51
Selling and distribution expenses		
Amortisation of right-of-use assets	**175**	244
Depreciation of property, plant and equipment	**177**	207
Lease expenses on:		
– short-term leases	**21**	20
– low value assets	**38**	36
Professional fees	**288**	191
Royalty fees	**175**	120
Administrative expenses		
Amortisation of intangible assets	**14**	5
Amortisation of right-of-use assets	**29**	29
Audit fees		
– Auditors of the Company	**184**	162
– Other auditors – network firms	**57**	55
Depreciation of property, plant and equipment	**139**	461
Lease expenses on:		
– short-term leases	**2**	2
– low value assets	**5**	5
Professional fees	**366**	245

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

11. Income tax expense

Major components of income tax expense for the financial year are:

	Group	
	2022	**2021**
	$'000	**$'000**
Current income tax		
– current financial year	**602**	1,000
– under/(over) provision in respect of prior financial years	**340**	(282)
– withholding tax	**–**	52
	942	770
Deferred income tax		
– current financial year	**(509)**	12
– under/(over) provision in respect of prior financial years	**3**	(10)
	(506)	2
	436	772

Reconciliation of effective tax rate

Domestic income tax is calculated at 17% (2021: 17%) of the estimated assessable loss (2021: profit) for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2021: 17%) to loss (2021: profit) before income tax as a result of the following differences:

	Group	
	2022	**2021**
	$'000	**$'000**
(Loss)/Profit before income tax	**(14,657)**	5,821
Share of loss of an associate, net of tax	**2,753**	10
	(11,904)	5,831
Income tax at the applicable tax rate of 17% (2021: 17%)	**(2,024)**	991
Tax effect of:		
– Income not taxable for income tax purposes	**(147)**	(216)
– Expenses not deductible for income tax purposes	**2,588**	257
Partial tax exemption	**(34)**	(35)
Effect of different tax rates of overseas operations	**(138)**	209
Under/(over) provision for tax in respect of prior years	**343**	(292)
Deferred tax assets not recognised during the financial year	**72**	33
Enhanced tax reduction	**(235)**	(227)
Withholding tax expenses	**–**	52
Others	**11**	–
	436	772

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

12. (Loss)/Earnings per share (cents)

Basic (loss)/earnings per share is calculated by dividing net (loss)/profit for the financial year attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the financial year. For the calculation of diluted (loss)/earnings per share, the (loss)/profit for the year attributable to the owners of the parent and the weighted average number of ordinary shares are adjusted for the effects of dilutive potential ordinary shares assuming all options have been converted or exercised.

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2022	**2021**
(Loss)/Earnings ($'000)		
(Loss)/Profit for the year attributable to owners of the parent (for the purpose of basic and diluted (loss)/earnings per share)	**(14,904)**	5,166
Number of shares ('000)		
Number of shares	**630,192**	580,192
Weighted average number of ordinary shares		
– Basic	**618,000**	523,343
Basic (loss)/earnings per share (cents)	**(2.41)**	0.99

The diluted (loss)/earnings per share for the financial years ended 31 December 2022 and 2021 are the same as the basic (loss)/earnings per share as the potential ordinary shares as disclosed in Note 33 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
For the Financial Year Ended 31 December 2022

13. Property, plant and equipment

Group	Leasehold buildings $'000	Construction in progress $'000	Leasehold improvements $'000	Machinery, furniture and equipment $'000	Motor vehicles $'000	Tooling in progress $'000	Total $'000
Cost							
At 1 January 2022	**4,691**	**13,251**	**6,558**	**47,964**	**582**	**–**	**73,046**
Additions	**–**	**450**	**29**	**2,450**	**31**	**731**	**3,691**
Written off	**–**	**–**	**–**	**(131)**	**(32)**	**–**	**(163)**
Disposal	**–**	**–**	**–**	**(33)**	**–**	**–**	**(33)**
Reclassified from right-of-use assets	**–**	**–**	**–**	**70**	**–**	**–**	**70**
Currency realignment	**(406)**	**(100)**	**(69)**	**(1,220)**	**(11)**	**(11)**	**(1,817)**
At 31 December 2022	**4,285**	**13,601**	**6,518**	**49,100**	**570**	**720**	**74,794**
Accumulated depreciation							
At 1 January 2022	**1,054**	**–**	**5,583**	**42,380**	**544**	**–**	**49,561**
Depreciation charge for the year	**228**	**–**	**268**	**2,286**	**36**	**–**	**2,818**
Written off	**–**	**–**	**–**	**(131)**	**(32)**	**–**	**(163)**
Disposal	**–**	**–**	**–**	**(33)**	**–**	**–**	**(33)**
Currency realignment	**(104)**	**–**	**(62)**	**(1,039)**	**(9)**	**–**	**(1,214)**
At 31 December 2022	**1,178**	**–**	**5,789**	**43,463**	**539**	**–**	**50,969**
Net carrying amount							
At 31 December 2022	**3,107**	**13,601**	**729**	**5,637**	**31**	**720**	**23,825**
Cost							
At 1 January 2021	4,602	12,948	6,431	46,474	575	–	71,030
Additions	–	86	46	794	24	–	950
Written off	–	–	–	(322)	–	–	(322)
Disposal	(131)	–	(30)	(19)	(29)	–	(209)
Currency realignment	220	217	111	1,037	12	–	1,597
At 31 December 2021	4,691	13,251	6,558	47,964	582	–	73,046
Accumulated depreciation							
At 1 January 2021	909	–	5,249	39,853	553	–	46,564
Depreciation charge for the year	230	–	281	2,095	10	–	2,616
Written off	–	–	–	(322)	–	–	(322)
Disposal	(131)	–	(23)	(13)	(29)	–	(196)
Currency realignment	46	–	76	767	10	–	899
At 31 December 2021	1,054	–	5,583	42,380	544	–	49,561
Net carrying amount							
At 31 December 2021	3,637	13,251	975	5,584	38	–	23,485

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

13. Property, plant and equipment (Continued)

	Company	
	2022	**2021**
	$'000	**$'000**
Office equipment		
Cost		
At 1 January	**3**	–
Addition	**–**	3
At 31 December	**3**	3
Accumulated depreciation		
At 1 January	**–**	–
Depreciation charge for the year	**1**	*
At 31 December	**1**	–
Net carrying amount		
At 31 December	**2**	3

*denotes less than $1,000

The construction-in-progress relate to capital expenditure for a new factory building in Batam Indonesia.

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial year were financed as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Additions to property, plant and equipment	**3,691**	950
Other payables (Note 29)	**–**	(85)
Cash payments to acquire property, plant and equipment	**3,691**	865

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

14. Intangible assets

	Computer software $'000	Group Intellectual properties $'000	Total $'000
2022			
Cost			
At 1 January 2022	**250**	**–**	**250**
Additions	**334**	**60**	**394**
Acquisition of subsidiary (Note 18)	**–**	**1,065**	**1,065**
Currency realignment	**(9)**	**–**	**(9)**
At 31 December 2022	**575**	**1,125**	**1,700**
Accumulated amortisation			
At 1 January 2022	**242**	**–**	**242**
Amortisation	**12**	**2**	**14**
Currency realignment	**(3)**	**–**	**(3)**
At 31 December 2022	**251**	**2**	**253**
Carrying amount			
At 31 December 2022	**324**	**1,123**	**1,447**

	Group $'000
Computer software	
Cost	
At 1 January 2021	246
Currency realignment	4
At 31 December 2021	250
Accumulated amortisation	
At 1 January 2021	233
Amortisation	5
Currency realignment	4
At 31 December 2021	242
Carrying amount	
At 31 December 2021	8

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

15. Right-of-use assets

	Leasehold lands, office premises and warehouse $'000	Equipment $'000	Machinery $'000	Total $'000
Group				
Balance at 1 January 2022	**4,065**	**–**	**1,668**	**5,733**
Lease modification	**121**	**–**	**–**	**121**
Reclassified to property, plant and equipment*	**–**	**–**	**(70)**	**(70)**
Additions	**161**	**–**	**11,592**	**11,753**
Amortisation charge	**(1,151)**	**–**	**(1,372)**	**(2,523)**
Currency realignment	**(4)**	**–**	**(306)**	**(310)**
Balance at 31 December 2022	**3,192**	**–**	**11,512**	**14,704**
Balance at 1 January 2021	1,638	20	98	1,756
Lease modification	3,598	–	–	3,598
Additions	–	–	1,820	1,820
Amortisation charge	(1,250)	(20)	(259)	(1,529)
Currency realignment	79	–	9	88
Balance at 31 December 2021	4,065	–	1,668	5,733

The fully amortised equipment has been returned to the lessor at the end of the lease period.

* The carrying amount of machinery has been reclassified to property, plant and equipment when the related lease liabilities have been fully settled.

For the purpose of the statement of cash flows, the Group's additions to right-of-use assets during the financial year comprised:

	2022 $'000	2021 $'000
Additions of right-of-use assets	**11,753**	1,820
Lease liabilities (Note 30)	**(8,537)**	(1,263)
Net cash payments made	**3,216**	557

Restrictions

Included in the above, machinery with carrying amount of $11,512,000 (2021: $1,668,000), is secured over the lease liabilities of $7,946,000 (2021: $1,040,000) as at 31 December 2022. The machinery will be seized and returned to lessor in the event of default in repayment by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

16. Land use rights

	Group	
	2022	**2021**
	$'000	**$'000**
Cost		
At 1 January	**1,752**	1,670
Currency realignment	**(152)**	82
At 31 December	**1,600**	1,752
Accumulated amortisation		
At 1 January	**370**	297
Amortisation	**57**	57
Currency realignment	**(36)**	16
At 31 December	**391**	370
Carrying amount		
At 31 December	**1,209**	1,382

At 31 December 2022, the Group has land use rights over 1 plot (2021: 1 plot) of state-owned land in China where the Group's operations reside. The land use rights are non-transferable and have remaining tenure of 42 years (2021: 43 years).

17. Exploration and evaluation assets

	West Jambi	
	2022	**2021**
	$'000	**$'000**
Group		
Cost		
At 1 January	**–**	2,999
Written off	**–**	(2,999)
At 31 December	**–**	–
Accumulated impairment loss		
At 1 January	**–**	2,999
Written off	**–**	(2,999)
At 31 December	**–**	–
Carrying amount		
At 31 December	**–**	–

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

17. Exploration and evaluation assets (Continued)

The Group through its then wholly-owned subsidiary, GSS Energy Sumatra Limited ("GESL"), entered into an Investment Agreement with Ramba Energy West Jambi Limited ("REWJ") and Ramba Energy Exploration Limited ("REEL") to fund drilling cost for exploration of 2 wells in West Jambi, Sumatra, Indonesia up to US$6.0 million for a period up to 30 September 2018.

In the previous financial year, REWJ received a termination notice for West Jambi project. Accordingly, the Group decided to write off the fully impaired exploration and evaluation assets of the West Jambi project as at 31 December 2021.

18. Investment in subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Unquoted equity shares, at cost	**16,343**	16,343
Deemed investment in a subsidiary*	**77**	–
Allowance for impairment losses	**(80)**	(80)
	16,340	16,263

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

Details of subsidiaries:

Name of company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interest	
		2022	**2021**	**2022**	**2021**
		%	**%**	**%**	**%**
Held by the Company					
Giken Sakata (S) Limited[(1)] (Singapore)	Manufacture and sale of microshafts and other precision parts and assembly of mechanisms used in computers and a range of electronic products	**100**	100	**–**	–
GSS Energy Sumatra Limited[(4)] (British Virgin Island)	Investment holding	**–**	100	**–**	–
Giken Motors Asia Pacific Pte. Ltd. (formerly known as Nusantara Resources Pte. Ltd.)[(4)] (Singapore)	Dormant	**100**	100	**–**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

18. Investment in subsidiaries (Continued)

Details of subsidiaries: (Continued)

Name of company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interest	
		2022	2021	2022	2021
		%	%	%	%
Held by Giken Sakata (S) Limited					
Changzhou Giken Precision Co., Ltd.[3] (People's Republic of China)	Manufacture and sale of microshafts and other precision parts	**100**	100	**–**	–
Giken Precision Engineering (S) Pte. Ltd.[1] (Singapore)	Manufacture of basic precious and non-ferrous metal products	**100**	100	**–**	–
P.T. Giken Precision Indonesia[2] (Indonesia)	Assembly of mechanisms and manufacture of precision parts used in computers and a range of electronic products	**100**	100	**–**	–
Turbo Charge Limited[4] (British Virgin Island)	Investment holding	**100**	80	**–**	20
P.T. Giken Technology Indonesia[4] (Indonesia)	Dormant	**100**	100	**–**	–
Giken Trading (S) Pte. Ltd.[1] (Singapore)	Sale and distribution of consumer electronics and other products	**100**	100	**–**	–
PT Gading Prima Indo[4] (Indonesia)	Sale and distribution of consumer electronics	**100**	100	**–**	–
I-Motor Asia Limited[4] (British Virgin Island)	Manufacture and distribution of motorcycles	**51**	51	**49**	49
Held by Giken Sakata (S) Limited (Continued)					
Giken Mobility Pte. Ltd.[1] (Singapore)	Investment holding and manufacture and assembly of motorcycles and scooters	**100**	100	**–**	–
Giken Renewable Energy Solutions Pte. Ltd. (formerly known as GEV Pte. Ltd.)[4] (Singapore)	Dormant	**100**	–	**–**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

18. Investment in subsidiaries (Continued)

Details of subsidiaries: (Continued)

Name of company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interest	
		2022 %	2021 %	2022 %	2021 %
Held by Changzhou Giken Precision Co., Ltd					
Changzhou Giken Technology Co., Ltd.[3] (People's Republic of China)	Manufacture and sale of moulding parts and assembly of mechanisms used in computers and a range of electronic products	**100**	100	**–**	–
Changzhou Giken Import & Export Co., Ltd[3] (People's Republic of China)	Manufacture and sale of microshafts and other precision parts	**100**	100	**–**	–
Held by Turbo Charge Limited					
Avita-Giken Technology Pte. Ltd. (formerly known as Turbo Charge (S) Pte. Ltd.)[1] (Singapore)	Sale and distribution of computers and peripheral equipment	**100**	80	**–**	20
Held by I-Motor Asia Limited					
I-Motor Korea Co., Ltd[4] (Republic of Korea)	Manufacture and distribution of motor bike	**100**	100	**–**	–
Held by Giken Mobility Pte. Ltd.					
GEV Pte. Ltd.[4] (Singapore)	Dormant	**–**	51	**–**	49
Edison Motors Co., Ltd[4] (Thailand)	Design, manufacture and distribution of electronic vehicles (EV), including spare parts and equipment	**100**	–	**–**	–

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

18. Investment in subsidiaries (Continued)

Details of subsidiaries: (Continued)

(1) Audited by BDO LLP, Singapore.
(2) Audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member firm of BDO International Limited, for consolidation purposes.
(3) Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, a member firm of BDO International Limited, for consolidation purposes.
(4) Not required to be audited and not considered as a significant subsidiary under Rule 718 of the SGX-ST Listing Manual.

The financial year end of P.T. Giken Precision Indonesia is 31 March. For the purpose of consolidation, financial statements from 1 January to 31 December was prepared by management of P.T. Giken Precision Indonesia.

Acquisition of addition interest

On 27 June 2022, the Company's subsidiary, Giken Sakata (S) Limited ("GSS"), acquired an additional 20% equity interest (representing 20 ordinary shares) in Turbo Charge Limited ("TCL"), a subsidiary of the Company at total consideration of $1. Consequently, GSS's effective ownership in Turbo Charge Limited increased from 80% to 100% as a result of the additional shares purchased.

On 27 June 2022, TCL's effective ownership in Avita-Giken Technology Pte. Ltd. ("AGT") (f.k.a. Turbo Charge (S) Pte. Ltd.) increased from 80% to 100% as a result of the additional 20% equity interest in TCL, an immediate holding company of AGT.

On 18 October 2022, GSS purchased 100% equity interest (representing 200 ordinary shares) in Giken Renewable Energy Solutions Pte. Ltd. ("GRES") (f.k.a. GEV Pte. Ltd.) at total consideration of US$3 (approximately equivalent to $4). Consequently, GSS's effective ownership in GRES increased to 100% as a result of shares purchased from Giken Mobility Pte. Ltd. and third parties.

Rename of subsidiaries

On 23 February 2022, a wholly-owned subsidiary, Nusantara Resources Pte. Ltd. was renamed to Giken Motors Asia Pacific Pte. Ltd. There is no change in the principal activity of the subsidiary.

On 30 June 2022, a wholly-owned subsidiary, Turbo Charge (S) Pte. Ltd. was renamed to AGT. There is no change in the principal activity of the subsidiary.

On 8 November 2022, a wholly-owned subsidiary, GEV Pte. Ltd. was renamed to GRES. There is no change in the principal activity of the subsidiary.

Strike off of a subsidiary

On 9 September 2022, a wholly-owned subsidiary, GSS Energy Sumatra Limited was struck off.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

18. **Investment in subsidiaries** (Continued)

Acquisition of 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 (Note 20)	(214)
	(731)
Net identifiable assets at fair value	855

	$'000
Consideration for acquisition of 100% equity interest	
– Issuance of ordinary shares (Note 33)	3,250
– Cash paid	3,000
– Deferred consideration payable (Note 29)	1,000
Total consideration transferred	7,250
Goodwill (Note 21)	6,395

From the date of acquisition to the financial year end, Edison Motors contributed approximately $6,000 and $417,000 to the Group's revenue and loss respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss for the financial year would have been $129,691,000 and $15,194,000 respectively.

Goodwill of $6,395,000 arising from the acquisition is attributable to the electric vehicle segment and the expected synergies from combining the operations of the Group with those of Edison Motors.

None of the goodwill is expected to be deductible for tax purposes.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

18. Investment in subsidiaries (Continued)

Acquisition of subsidiary (Continued)

Transaction costs related to the acquisition of $71,000 and $22,000 have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2022 and 2021 respectively.

The effects of the acquisition of the subsidiary on cash flows are as follows:

	$'000
Cash paid	3,000
Less: Cash and cash equivalents of subsidiary acquired	(129)
Net cash outflow on acquisition	2,871

19. Investment in an associate/Due from an associate

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Equity shares, at cost	**2,791**	2,791	**2,791**	2,791
Share of reserves of associate, net of tax	**(2,791)**	(38)	**–**	–
Allowance for impairment loss	**–**	–	**(2,791)**	–
	–	2,753	**–**	2,791
Non-current				
Due from an associate (non-trade)	**9,862**	9,862	**9,862**	9,862
Allowance for impairment loss	**(9,862)**	–	**(9,862)**	–
	–	9,862	**–**	9,862

The associate is engaged in the exploration of oil and gas in Indonesia. The amount due from an associate forms part of the Group's and the Company's net investment in an associate and is non-trade in nature, unsecured, non-interest bearing and has no fixed terms of repayment. The settlement of such balances is not planned and is dependent upon the generation of revenue from the evaluation and exploration asset.

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For the Financial Year Ended 31 December 2022

19. Investment in an associate/Due from an associate (Continued)

The details of the associate are as follows:

Name of associate (Country of incorporation and principal place of business)	Principal activities	Portion of ownership interest held 2022 %	2021 %
GSS Energy Trembul Limited[1] (British Virgin Island)	Investment holding	**20**	20
Held by GSS Energy Trembul Limited			
PT Sarana GSS Trembul[2] (Indonesia)	Operate in oil and gas exploration	**89**[3]	89[3]

(1) Reviewed by BDO LLP, Singapore for consolidation purpose.

(2) Audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member firm of BDO International Limited, for consolidation purposes.

(3) Effective equity interest held by the Group is 17.8%.

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 by 31 December 2022. As at date of this financial statements, there has not been any significant development in the appeal. Accordingly, the Group has recorded share of loss of the associate of approximately $2,753,000 (2021: $10,000) during the financial year and the Company has recorded a full impairment loss of approximately $2,791,000 (2021: $Nil) for the investment in an associate as at 31 December 2022. The Group and the Company have recorded a full impairment loss on amount due from the associate of approximately $9,862,000 (2021: $Nil) as at 31 December 2022.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

19. Investment in an associate/Due from an associate (Continued)

Set out below are the summarised financial information of the Group's significant associate:

Summarised statement of financial position as at 31 December	**2022 $'000**	**2021 $'000**
GETL		
Current assets	**17**	3,986
Non-current assets	**466**	14,569
Current liabilities	**(3,548)**	(2,802)
Non-current liabilities	**(14,413)**	(14,986)

Summarised statement of comprehensive income for the financial year ended 31 December	**2022 $'000**	**2021 $'000**
Revenue	**–**	–
Loss	**(18,758)**	(45)
Other comprehensive income	**–**	–
Total comprehensive income	**(18,758)**	(45)

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts), adjusted for fair value adjustments and differences in accounting policies between the Group and the associate.

20. Deferred tax assets/(liabilities)

	Group	
	2022 $'000	**2021 $'000**
Deferred tax assets	**563**	37
Deferred tax liabilities	**(322)**	(108)

Deferred tax assets

Movements in deferred tax assets are as follows:

	Group	
	2022 $'000	**2021 $'000**
Balance at beginning of financial year	**37**	37
Credited/(charged) to profit or loss	**506**	(2)
Currency realignment	**20**	2
Balance at end of financial year	**563**	37

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

20. Deferred tax assets/(liabilities) (Continued)

Deferred tax assets (Continued)

Deferred tax assets are attributable to the following temporary differences:

	Group	
	2022	**2021**
	$'000	**$'000**
Unutilised tax losses	**563**	37

Deferred tax assets are attributable to temporary differences arising from unutilised tax losses of approximately $2,306,000 (2021: $148,000) 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**	**2022**	**2021**
		$'000	**$'000**
2018	2028	**108**	108
2019	2029	**40**	40
2022	2032	**1,895**	–

Deferred tax liabilities

Movements in deferred tax liabilities are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Balance at beginning of financial year	**(108)**	(108)
Acquisition of subsidiary (Note 18)	**(214)**	–
Balance at end of financial year	**(322)**	(108)

Deferred tax liabilities arising from the aggregate amount of temporary differences associated with undistributed earnings of certain subsidiaries for which is estimated by the management to be distributed in the future.

As at 31 December 2022, total unremitted earnings of certain subsidiaries in the PRC and Indonesia amounted to approximately $21,948,000 (2021: $24,075,000). Management estimates that only Changzhou Giken Precision Co., Ltd in the PRC's unremitted earnings will be distributed as dividends in the foreseeable future. As at 31 December 2022, a deferred tax liability of approximately $108,000 (2021: $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 $19,782,000 (2021: $21,909,000) as at 31 December 2022.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

20. Deferred tax assets/(liabilities) (Continued)

Unrecognised deferred tax assets

	Group	
	2022	**2021**
	$'000	**$'000**
At beginning of financial year	**213**	475
Deferred tax assets not recognised during the financial year	**72**	33
Over provision of unrecognised deferred tax assets in respect of prior financial year	**–**	(295)
At end of financial year	**285**	213

Unrecognised deferred tax assets is attributable to:

	Group	
	2022	**2021**
	$'000	**$'000**
Unutilised tax losses	**285**	213

At the end of the financial year, the Group had unutilised tax losses of approximately $1,500,000 (2021: $1,072,000) 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. Accordingly, these deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.8 to the financial statements.

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.

21. Goodwill

	Group	
	2022	**2021**
	$'000	**$'000**
Cost		
At 1 January	**112**	112
Acquisition of a subsidiary (Note 18)	**6,395**	–
At 31 December	**6,507**	112

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

21. **Goodwill** (Continued)

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGU") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following segments:

	Group	
	2022	**2021**
	$'000	**$'000**
Microshafts		
China	**112**	112
Electric vehicle		
Thailand	**6,395**	–

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The recoverable amount of CGU that holds a significant proportion of the Group's overall goodwill balance is $6,395,000 from Electric vehicle – Thailand.

The recoverable amount of the CGU is determined from value in use calculations based on cash flow forecasts derived from the most recent financial budgets approved by management for the next 5 years. The key assumptions for these value in use calculations are follows:

	Electric vehicle – Thailand
	%
31 December 2022	
Average revenue growth rate	**260.00**
Discount rate	**17.95**
Terminal growth rate	**0.50**

The significant revenue growth rate for electric vehicle was based on the assumptions that the electric vehicle segment will generate revenue from financial year ending 31 December 2023 onwards and that the Group is able to deliver the number of sales units forecasted for the new electric motorcycle. The Group targets to launch the new electric motorcycle in the financial year ending 31 December 2023.

The forecasted growth rates are based on management's expectations in the light of anticipated economic and market conditions.

Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and risks specific to the CGU.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than the carrying amount of goodwill and therefore, no impairment loss is recognised.

Sensitivity analysis

As at each reporting date, based on management's assessment of the CGU, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGU.

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For the Financial Year Ended 31 December 2022

22. Due from subsidiaries/(to a subsidiary)

Due from subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Non-current		
Due from a subsidiary (non-trade)	**6,250**	–
Current		
Due from subsidiaries (non-trade)	**802**	2,408

Movement in impairment loss was as follows:

	Company	
	2022	**2021**
	$'000	**$'000**
Balance at beginning of financial year	**–**	3,298
Impairment loss recognised during the financial year	**–**	12
Impairment loss written off	**–**	(3,310)
Balance at end of financial year	**–**	–

The non-current amount due from a subsidiary is non-trade in nature, unsecured, non-interest bearing, has no fixed terms of repayment and is expected to be settled in cash. The carrying amount of the non-current amount due from a subsidiary approximated its fair value due to the insignificant effects of discounting.

The current amount due from subsidiaries is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

In the previous financial year, the Company carried out a review of the recoverable amount of the non-current amount due from subsidiaries. Certain subsidiaries continued to remain dormant and loss making, and this led to the recognition of impairment loss of approximately $12,000. This impairment loss was recognised in the Company's profit or loss. The Company had written off the full amount due from these subsidiaries when there is no reasonable expectation of recovery.

The currency profiles of amount due from subsidiaries at each reporting date are as follows:

	Company	
	2022	**2021**
	$'000	**$'000**
Singapore dollar	**7,043**	2,408
United States dollar	**9**	–
	7,052	2,408

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

22. Due from subsidiaries/(to a subsidiary) (Continued)

Due to a subsidiary

The amount due to a subsidiary is non-trade in nature, non-interest bearing, repayable on demand and is expected to be settled in cash.

The currency profile of amount due to a subsidiary at each reporting date is Singapore dollar.

23. Inventories

	Group	
	2022	**2021**
	$'000	**$'000**
Finished goods	**2,512**	3,425
Work-in-progress	**1,923**	2,319
Raw materials	**25,620**	28,163
	30,055	33,907

The Group's cost of inventories recognised as expense under "cost of sales" to the Group's profit or loss during the financial year amounted to $82,601,000 (2021: $70,169,000).

As at 31 December 2022, the Group carried out a review of the realisable value of its inventories and the review led to an allowance for inventory obsolescence of $343,000 (2021: Nil) included in "Other expenses" line item in profit or loss.

During the financial year, the Group has written off approximately $30,000 (2021: $51,000) of its inventories. The inventories written off is recognised in the Group's profit or loss under "cost of sales".

24. Trade receivables

	Group	
	2022	**2021**
	$'000	**$'000**
Trade receivables – third parties	**11,128**	26,163
Notes receivables	**151**	372
Allowance for impairment loss	**(180)**	–
	11,099	26,535

During the financial year, the Group has provided for a loss allowance of $180,000 for credit impaired trade receivables.

Trade receivables from third parties are non-interest bearing and are generally on 30 to 120 (2021: 30 to 120) days credit terms.

Notes receivables are secured by bank guarantee, non-interest bearing and recoverable within 180 days (2021: 180 days).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

24. Trade receivables (Continued)

The currency profiles of trade receivables at each reporting date are as follows:

	Group	
	2022	2021
	$'000	$'000
Singapore dollar	**1,508**	1,768
United States dollar	**5,077**	19,623
Chinese renminbi	**3,163**	4,301
Indonesian rupiah	**450**	187
Korean won	**435**	465
Euro	**85**	174
Others	**381**	17
	11,099	26,535

25. Other receivables and deposits

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Other receivables – third parties	**162**	339	**5**	4
Advance payment	**2,895**	5,752	**–**	–
Deposits	**487**	401	**–**	–
Total other receivables and deposits	**3,544**	6,492	**5**	4

The currency profiles of other receivables and deposits at each reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore dollar	**403**	422	**5**	4
Chinese renminbi	**279**	1,908	**–**	–
United States dollar	**2,593**	3,845	**–**	–
Euro	**105**	153	**–**	–
Korean won	**164**	164	**–**	–
	3,544	6,492	**5**	4

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

26. Due from a related party

	Group	
	2022	2021
	$'000	$'000
Due from a related party (non-trade)	**276**	282

The related party is an entity where one of the subsidiaries' directors has beneficial interests.

Amount due from a related party is non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

The currency profile of amount due from a related party at each reporting date is United States dollar.

27. Cash and bank balances

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash and bank balances	**15,151**	14,888	**88**	768
Short-term deposits	**–**	849	**–**	–
	15,151	15,737	**88**	768

Short-term deposits

In previous financial year, short-term deposits were made for 1 month depending on the immediate cash requirement of the Group and earned effective interest rates of 1.73% per annum. These deposits were freely convertible to cash as and when such funds were required and would mature within the following month.

The currency profiles of cash and bank balances at each reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore dollar	**1,389**	1,808	**86**	767
Chinese renminbi	**6,278**	4,545	**–**	–
Indonesian rupiah	**45**	139	**–**	–
United States dollar	**7,161**	9,225	**2**	1
Others	**278**	20	**–**	–
	15,151	15,737	**88**	768

Significant restrictions

Cash and bank balances of $6,214,000 (2021: $3,582,000) in Chinese renminbi held in People's Republic of China (the "PRC") are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

28. Trade payables

Trade payables are non-interest bearing and are normally settled in 30 to 90 (2021: 30 to 90) days credit terms.

The currency profiles of trade payables at each reporting date are as follows:

	Group	
	2022	2021
	$'000	$'000
Singapore dollar	**2,048**	1,834
United States dollar	**14,958**	18,755
Japanese yen	**16**	1
Korean won	**926**	990
Chinese renminbi	**1,597**	3,257
Indonesian rupiah	**1,385**	1,519
	20,930	26,356

29. Other payables and accruals

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Non-current				
Other payable	**–**	446	**–**	–
Deferred grant income	**45**	65	**–**	–
	45	511	**–**	–
Current				
Other payables	**2,915**	4,592	**21**	69
Accrued operating expenses	**3,398**	3,182	**179**	172
Advances received from customers	**801**	689	**–**	–
Deferred consideration payable	**1,000**	–	**–**	–
Deferred grant income	**17**	15	**–**	–
	8,131	8,478	**200**	241
Total other payables and accruals	**8,176**	8,989	**200**	241

Current other payables are non-trade in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2021, included in other payables was an amount of $85,000 that was for the purchase of property, plant and equipment.

Deferred consideration payable represents agreed consideration to be paid 12 months from the date of acquisition of Edison Motors (Note 18).

Deferred grant income relates 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
For the Financial Year Ended 31 December 2022

29. Other payables and accruals (Continued)

The carrying amount of the non-current other payable approximated its fair value due to the insignificant effects of discounting.

The currency profiles of other payables and accruals at each reporting date are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore dollar	**4,174**	4,905	**200**	241
United States dollar	**1,254**	1,429	**–**	–
Chinese renminbi	**886**	819	**–**	–
Indonesian rupiah	**1,292**	1,233	**–**	–
Korean won	**410**	435	**–**	–
Others	**160**	168	**–**	–
	8,176	8,989	**200**	241

30. Lease liabilities

	Leasehold lands, office premises and warehouse $'000	Equipment $'000	Machinery $'000	Total $'000
Group				
Balance at 1 January 2022	**4,085**	**–**	**1,040**	**5,125**
Additions	**161**	**–**	**8,376**	**8,537**
Lease modification	**121**	**–**	**–**	**121**
Interest expense (Note 9)	**76**	**–**	**167**	**243**
Lease payments				
– Principal portion	**(1,103)**	**–**	**(1,300)**	**(2,403)**
– Interest portion	**(76)**	**–**	**(167)**	**(243)**
Currency realignment	**(4)**	**–**	**(170)**	**(174)**
Balance at 31 December 2022	**3,260**	**–**	**7,946**	**11,206**
Balance at 1 January 2021	1,644	19	87	1,750
Additions	–	–	1,263	1,263
Lease modification	3,598	–	–	3,598
Interest expense (Note 9)	84	1	40	125
Lease payments				
– Principal portion	(1,231)	(19)	(310)	(1,560)
– Interest portion	(84)	(1)	(40)	(125)
Currency realignment	74	–	–	74
Balance at 31 December 2021	4,085	–	1,040	5,125

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

30. Lease liabilities (Continued)

The maturity analysis of lease liabilities at each reporting date are as follows:

Group	2022 $'000	2021 $'000
Contractual undiscounted cash flows		
– Not later than a year	**6,454**	1,671
– Between two to five years	**5,876**	3,890
	12,330	5,561
Less: Future interest expense	**(1,124)**	(436)
Present value of lease liabilities	**11,206**	5,125
Presented in the statements of financial position		
– Current	**5,720**	1,487
– Non-current	**5,486**	3,638
	11,206	5,125

The Group leases leasehold lands, office premises, warehouse, equipment and machinery in Singapore and Indonesia. As at 31 December 2022, the average incremental borrowing rate applied in the lease was 3.76% (2021: 2.73%).

As at 31 December 2022, the Group leased machinery under finance lease and the average discount rate implicit in finance lease was 3.46% (2021: 3.06%).

The Group's lease liabilities of $7,946,000 (2021: $1,040,000) are secured by the leased assets (Note 15), which will be repossessed by the lessors in the event of default in repayment by the Group.

The total cash outflow in respect of leases amounted $2,712,000 (2021: $1,748,000) during the current financial year.

The currency profiles of lease liabilities at each reporting date are as follows:

	Group	
	2022 $'000	2021 $'000
Singapore dollar	**6,249**	5,125
United States dollar	**4,830**	–
Indonesian rupiah	**127**	–
	11,206	5,125

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

31. Loans and borrowings

	Group	
	2022	2021
	$'000	$'000
Non-current		
Term loans	**2,448**	3,970
Current		
Trust receipts	**6,532**	11,103
Short-term bank loans	**–**	2,000
Term loans	**5,408**	1,421
	11,940	14,524
Total loans and borrowings	**14,388**	18,494

The effective interest rates per annum of the loans and borrowings are as follows:

	Group	
	2022	2021
	%	%
Trust receipts	**5.40 – 6.59**	1.50 – 3.00
Short-term bank loans	**2.07 – 5.66**	1.50
Term loans	**2.75 – 5.50**	2.75 – 3.00

Trust receipts are repayable within 30 to 180 days (2021: 30 to 180 days). Trust receipts which amounted to US$1,500,000, equivalent to $2,332,000 (2021: US$7,613,000, equivalent to $10,271,000) are secured by trade receivable invoices of US$1,668,000, equivalent to $2,561,000 (2021: US$8,495,000, equivalent to $11,461,000).

Short-term bank loans were repayable on demand and were settled in current financial year.

Term loans are mainly loans under the Enterprise Financing Scheme for working capital requirements, which are repayable monthly over 60 months till March 2026. The government of Singapore introduced a general financial support scheme in response to the economic impacts of the COVID-19 coronavirus pandemic.

As at 31 December 2022, one of the Group's subsidiaries was not in compliance with the covenants set out in the banking facilities letters as the subsidiary did not meet the minimum debt service coverage ratio.

As a result, term loans amounted to $134,000 which were not scheduled for repayment within 12 months from the end of the reporting period but were classified as current liabilities as the Group did not have the unconditional right at the end of reporting period to defer settlement for at least 12 months after the end of the reporting period. Further details of the management of liquidity risk are set out in Note 37 to the financial statements.

Loans and borrowings are secured by corporate guarantee provided by the Company (Note 39).

The carrying amount of the Group's term loans approximates the fair value as the current lending rates for similar types of lending arrangements are not materially different from the rates obtained by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

31. Loans and borrowings (Continued)

As at each reporting date, the Group has banking facilities as follows:

	Group	
	2022	2021
	$'000	$'000
Banking facilities granted	**58,539**	31,824
Banking facilities utilised	**16,202**	19,103

The currency profiles of loans and borrowings at each reporting date are as follows:

	Group	
	2022	2021
	$'000	$'000
Singapore dollar	**3,970**	7,391
United States dollar	**10,380**	11,103
Chinese renminbi	**38**	–
	14,388	18,494

32. Retirement benefit obligations

	Group	
	2022	2021
	$'000	$'000
Retirement gratuities	**216**	214
Employee service entitlement benefits	**1,824**	1,279
	2,040	1,493

Retirement gratuities

Retirement gratuities are calculated based on employment scheme according to Japanese Expatriates Termination Handbook:

	Group	
	2022	2021
	$'000	$'000
At beginning of the financial year	**214**	238
Currency realignment	**2**	(24)
At end of the financial year	**216**	214

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

32. Retirement benefit obligations (Continued)

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 2022 is 247 (2021: 245).

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 Plan is exposed to a number of risks:

(i) Investment risk	:	movement of discount rate used for defined benefit obligation;
(ii) Salary risk	:	increase in future salaries increasing the gross defined benefit obligation;
(iii) Interest rate risk	:	decrease/increase in the discount rate used will increase/decrease the defined benefit obligation; and
(iv) Longevity risk	:	changes in the estimation of mortality rates of current and former employee.

The provision for employee benefits is calculated by an external independent actuary, Kantor Konsultan Aktuaria Setya Widodo, using the "Projected Unit Credit Method".

The principal actuarial assumptions used in determining the present value of the defined employee benefits include:

	Group	
	2022	**2021**
Annual discount rate	**7.06%**	6.67%
Annual salary growth rate	**5.0%**	0.5%
Mortality rate	**TMI IV – 2019**	TMI IV – 2019
Turnover rate	**1.0%**	1.0%
Normal retirement age	**55 years**	55 years

The amount recognised in the statements of financial position is determined as follow:

	Group	
	2022	**2021**
	$'000	**$'000**
Defined benefit plan		
Present value of defined benefit obligation	**1,907**	1,387
Fair value of the Plan assets	**(83)**	(108)
Net defined benefit liabilities	**1,824**	1,279

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

32. Retirement benefit obligations (Continued)

Employee service entitlement benefits (Continued)

Reconciliation of defined benefit obligation:

	Group	
	2022	**2021**
	$'000	**$'000**
At beginning of financial year	**1,387**	1,792
Included in expenses		
Current service costs	**110**	66
Interest costs	**92**	119
Expectations of return on program	**–**	(3)
Amount recognised as expenses	**202**	182
Included in other income		
Past service cost	**–**	(531)
Included in other comprehensive income		
Remeasurement of post-employment benefits from:		
– Demographic assumptions	**–**	32
– Financial assumptions	**565**	67
Net actuarial losses recognised	**565**	99
Others		
Effects of movements in exchange rates	**(162)**	(65)
Benefits paid	**(85)**	(90)
At end of the financial year	**1,907**	1,387

Reconciliation of fair value of the Plan assets:

	Group	
	2022	**2021**
	$'000	**$'000**
At beginning of financial year	**(108)**	(190)
Included in profit or loss		
Interest costs	**–**	2
Included in other comprehensive income		
Return on plan assets (excluding interest)	**(9)**	(4)
Others		
Effects of movements in exchange rates	**(24)**	(1)
Employer contributions	**(76)**	(90)
Benefits paid	**134**	175
	34	84
At end of the financial year	**(83)**	(108)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

32. Retirement benefit obligations (Continued)

Employee service entitlement benefits (Continued)

Reconciliation of fair value of the Plan assets: (Continued)

The fair value of the premium invested by Manulife is analysed as follow:

	Group	
	2022	**2021**
	$'000	**$'000**
Fixed income	**41**	52
Syariah fund	**42**	56
	83	108

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumptions constant, is presented in the table below:

Actuarial assumption	**Reasonably possible change**	**Defined benefit obligation Increase by $'000**	**Defined benefit obligation Decrease by $'000**
Group			
2022			
Discount rate	**7.06% (+/- 1%)**	**1,808**	**2,059**
Wages and salary growth rate	**5.0% (+/- 1%)**	**2,060**	**1,804**
Mortality rate	**0.1% (+/- 1%)**	**1,927**	**1,926**
Turnover rate	**1.0% (+/- 1%)**	**1,797**	**2,070**
Retirement age	**55 (+/- 1%)**	**1,819**	**2,039**
2021			
Discount rate	6.67% (+/- 1%)	1,242	1,409
Wages and salary growth rate	0.5% (+/- 1%)	1,408	1,242
Mortality rate	0.1% (+/- 1%)	1,371	1,268
Turnover rate	1.0% (+/- 1%)	1,236	1,415
Retirement age	55 (+/- 1%)	1,300	1,444

The average duration of the post-employment benefits at the end of the financial year is 12 years (2021: 12 years).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

33. Share capital

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares			
	'000	'000	$'000	$'000
Issued and paid-up:				
At beginning and end of the financial year	**580,192**	496,859	**63,416**	58,591
Issuance of share capital:				
– Share placement	**50,000**	83,333	**3,250**	4,825
At end of financial year	**630,192**	580,192	**66,666**	63,416

The Group and the Company have one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends when declared by the Company. All ordinary shares have no par value and carry one vote per share without restrictions. On 8 September 2021, the Company issued 83,333,000 new ordinary shares for net proceeds of $4,825,000. On 30 March 2022, the Company issued 50,000,000 new ordinary shares for the acquisition of Edison Motors Co., Ltd (Note 18).

34. Other reserves

Other reserves comprise the following:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Equity non-controlling interest	**122**	132	**–**	–
Foreign currency translation reserve	**(615)**	962	**–**	–
Share options reserve	**3,801**	3,724	**3,801**	3,724
Statutory reserve	**1,473**	1,473	**–**	–
	4,781	6,291	**3,801**	3,724

Equity non-controlling interest

The equity non-controlling interest is the effect of transaction with non-controlling interest where there is no change in control.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2022	2021
	$'000	$'000
At 1 January	**962**	(378)
Exchange differences arising from translation of foreign operations	**(1,577)**	1,340
At 31 December	**(615)**	962

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

34. Other reserves (Continued)

Share options reserve

The share options reserve represents the value of service received 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 subsidiaries and certain senior management to subscribe for ordinary shares of the Company. Options are exercisable 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 exercise price at a discount not exceeding 20% to 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 if the individual leaves before the options vest.

Details of the share options outstanding at the end of the financial year are as follows:

Date granted	Balance at 1 January '000	Granted '000	Cancelled/ Lapsed '000	Balance at 31 December '000	Exercise price $	Exercise period
2022						
27 February 2017	**10,200**	**–**	**(10,200)**	**–**	**0.09856**	**27 Feb 2019 to 26 Feb 2022**
23 February 2018	**15,123**	**–**	**–**	**15,123**	**0.12512**	**23 Feb 2020 to 22 Feb 2023**
9 March 2022	**–**	**6,000**	**(1,000)**	**5,000**	**0.05664**	**10 Mar 2024 to 9 Mar 2027**
	25,323	**6,000**	**(11,200)**	**20,123**		
2021						
27 February 2017	10,200	–	–	10,200	0.09856	27 Feb 2019 to 26 Feb 2022
23 February 2018	1,150	–	(1,150)	–	0.12512	23 Feb 2020 to 22 Feb 2021
23 February 2018	16,073	–	(950)	15,123	0.12512	23 Feb 2020 to 22 Feb 2023
	27,423	–	(2,100)	25,323		

20,123,000 (2021: 25,323,000) shares had vested and are exercisable at the end of the financial year.

The exercise price of options outstanding at 31 December 2022 ranged between $0.05664 and $0.09856 (2021: $0.09856 and $0.12512). The options outstanding at end of the reporting period have remaining contractual life of 2 to 51 months (2021: 2 to 14 months).

The Group and the Company recognised share-based payment expenses and a corresponding share option reserve of $77,000 (2021: $Nil) for the financial year ended 31 December 2022.

The Group did not enter into any share-based transactions with parties other than employees during the financial year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

34. Other reserves (Continued)

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in People's Republic of China (the "PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

35. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group's and Company's transactions and arrangements are based on the rates and terms agreed between the parties and the effect of this basis is reflected in these financial statements.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
With an associate				
Payment made on behalf of an associate	**1**	9	**1**	9
Loan to an associate	**–**	461	**–**	461
With subsidiaries				
Advances from a subsidiary	**–**	–	**1,586**	1,073
Payment made on behalf of subsidiaries	**–**	–	**10**	14
Management fee income	**–**	–	**270**	180
Management expense	**–**	–	**87**	75
Advances to a subsidiary	**–**	–	**6,250**	2,500

As at 31 December, the outstanding balances in respect of the above related party transactions are disclosed in Notes 19 and 22 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

35. Significant related party transactions (Continued)

Compensation of key management personnel

Key management personnel compensation included in employee benefits expense is as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Directors' fees	**116**	80
Salaries, bonuses and allowances	**2,248**	1,954
Provident fund and pension contributions	**130**	129
Employee share options expenses	**62**	–
Total compensation paid to key management personnel	**2,556**	2,163
Comprise amounts paid to:		
– Directors of the Company	**1,331**	1,342
– Other key management personnel	**1,225**	821
	2,556	2,163

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

36. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

36. Segment information (Continued)

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including interest income and interest expenses and share of results of equity accounted joint venture.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

– Mechanisms division

– Microshafts division

– 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

36. Segment information (Continued)

(a) Analysis by business activities

	Mechanisms $'000	Microshafts $'000	Electric vehicle $'000	Unallocated segment $'000	Eliminations $'000	Group $'000
31 December 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
Interest expense						(1,412)
Income tax expense						(436)
Non-controlling interests						189
Share of loss of an associate						(2,753)
Net loss to owners of the parent						(14,904)
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

For the Financial Year Ended 31 December 2022

36. **Segment information** (Continued)

(a) **Analysis by business activities** (Continued)

	Mechanisms $'000	Microshafts $'000	Electric vehicle $'000	Unallocated segment $'000	Eliminations $'000	Group $'000
31 December 2021						
Revenue						
External customers	93,787	23,701	–	–	–	117,488
Intersegment revenues	21,143	1,977	–	180	(23,300)	–
	114,930	25,678	–	180	(23,300)	117,488
Results:						
Operating profit/(loss)	4,277	2,883	–	(1,037)	–	6,123
Interest income						174
Interest expense						(466)
Income tax expense						(772)
Non-controlling interests						117
Share of loss of an associate						(10)
Net profit to owners of the parent						5,166
Segment assets and liabilities						
Segment assets	89,644	21,680	–	15,237	–	126,561
Total assets						126,561
Segment liabilities	54,006	7,142	–	288	–	61,436
Total liabilities						61,436
Other segment information						
Addition to property, plant and equipment	695	205	–	50	–	950
Addition to right-of-use assets	1,820	–	–	–	–	1,820
Depreciation and amortisation	3,071	1,131	–	5	–	4,207
Inventories written off	–	51	–	–	–	51

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

36. Segment information (Continued)

(b) Analysis by geographical activities

Revenues from external customers

Revenue is analysed by the location of the customers and by products and services are disclosed in Note 4 to the financial statements. The revenue from the top three customers of the Group's Mechanisms segment represents approximately $93,653,000 (2021: $79,140,000) of the Group's total revenue.

Locations of non-current assets

Segment assets and capital expenditure are analysed by location of the assets. Non-current assets consist of property, plant and equipment, intangible assets, right-of-use assets, land use rights, goodwill, and investment in an associate.

	Non-current assets		Addition to non-current assets	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore	**12,465**	5,134	**5,235**	1,914
Indonesia	**20,956**	20,965	**2,315**	678
China	**5,941**	7,125	**465**	178
Thailand	**7,823**	–	**7,823**	–
Other countries	**507**	249	**–**	–
	47,692	33,473	**15,838**	2,770

37. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk and liquidity risk. The Board of Directors reviews and approves policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer, the Executive Director and Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous reporting period, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

37.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. The Group and the Company perform ongoing credit evaluation of their counterparties' financial condition and generally do not require collateral.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

37. Financial risk management objectives and policies (Continued)

37.1 Credit risk (Continued)

The Group's major classes of financial assets are trade receivables and cash and bank balances.

As at 31 December 2022, the Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for 1 (2021: 1) customer which accounted for 65% (2021: 51%) of trade receivables.

Trade receivables

The exposure to credit risk for trade receivables at each reporting date is as follows:

	2022 $'000	2021 $'000
Group		
Not past due	**3,657**	18,902
Past due less than 30 days	**2,339**	3,046
Past due 30 to 60 days	**1,743**	1,397
Past due 61 to 90 days	**1,341**	982
Past due over 90 days	**2,019**	2,208
	11,099	26,535

Trade receivables are written off when there is no reasonable expectation of recovery, such as the debtor is in severe financial difficulty. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on the above assessment, the Group has concluded that the trade receivables are subject to immaterial expected credit loss, except for lifetime expected credit loss of $180,000 (2021: $Nil) has been recognised during the year.

Cash and bank balances

The cash and bank balances are held with bank and financial institution counterparties, which are rated A-3 to A-1+ based on S&P Global's ratings and F3 to F1+ based on Fitch's ratings. The management monitors the credit ratings of counterparties regularly. Impairment of cash and bank balances has been measured based on 12-month expected credit loss model. At the reporting date, the Group and Company did not expect any credit losses from non- performance by the counterparties.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

37. Financial risk management objectives and policies (Continued)

37.1 Credit risk (Continued)

Cash and bank balances (Continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the financial statements, except for the following:

	Company	
	2022	**2021**
	$'000	**$'000**
Corporate guarantees provided to banking facilities of subsidiaries	**10,464**	18,494

These corporate guarantees are subject to the impairment requirement of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Due from subsidiaries

For non-trade amounts due from subsidiaries (Note 22), the Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Company monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance ratio and any default in external debts. At the reporting date, the Company has assessed its subsidiaries' financial performance to meet the contractual cash flow obligations and has recognised expected credit loss allowance of approximately $Nil (2021: $12,000) for non-trade and non-current amount due from subsidiaries.

37.2 Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore dollar ("SGD"), United States dollar ("USD"), Chinese renminbi ("RMB") and Indonesian rupiah ("IDR").

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

37. Financial risk management objectives and policies (Continued)

37.2 Market risk (Continued)

Foreign currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group	
	2022 $'000	**2021 $'000**
Financial assets		
SGD	**2,940**	2,909
USD	**1,371**	2,040
RMB	**21**	923
IDR	**483**	584
Others	**744**	210
Financial liabilities		
SGD	**21,085**	18,889
IDR	**2,677**	2,752
Others	**495**	2

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk is mainly Singapore dollar, United States dollar, Chinese renminbi and Indonesian rupiah.

The following table details the Group's sensitivity to a 5% (2021: 5%) change in Singapore dollar, United States dollar, Chinese renminbi and Indonesian rupiah against the functional currencies respectively. The sensitivity analysis assumes an instantaneous 5% (2021: 5%) change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items denominated in Singapore dollar, United States dollar, Chinese renminbi and Indonesian rupiah are included in the analysis.

	Increase/(Decrease) Profit or loss	
	2022 $'000	**2021 $'000**
Group		
Singapore dollar		
Strengthen against functional currency(1)	**(908)**	(799)
Weaken against functional currency(1)	**908**	799
United States dollar		
Strengthen against functional currency(2)	**69**	102
Weaken against functional currency(2)	**(69)**	(102)
Chinese renminbi		
Strengthen against functional currency(3)	**1**	46
Weaken against functional currency(3)	**(1)**	(46)
Indonesian rupiah		
Strengthen against functional currency(1)	**(110)**	(108)
Weaken against functional currency(1)	**110**	108

(1) Primarily United States dollar
(2) Primarily Chinese renminbi
(3) Primarily Singapore dollar

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

37. Financial risk management objectives and policies (Continued)

37.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	Group					
	2022			2021		
	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000
Trade payables	**20,930**	**–**	**20,930**	26,356	–	26,356
Other payables and accruals	**7,313**	**–**	**7,313**	7,774	446	8,220
Lease liabilities	**6,454**	**5,876**	**12,330**	1,671	3,890	5,561
Loans and borrowings	**12,269**	**2,505**	**14,774**	14,713	4,118	18,831
	46,966	**8,381**	**55,347**	50,514	8,454	58,968

	Company					
	2022			2021		
	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000
Other payables and accruals	**200**	**–**	**200**	241	–	241
Due to a subsidiary	**2,147**	**–**	**2,147**	405	–	405
Financial guarantee	**10,464**	**–**	**10,464**	18,494	–	18,494
Total	**12,811**	**–**	**12,811**	19,140	–	19,140

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

37. Financial risk management objectives and policies (Continued)

37.4 Capital management policy

The Group and the Company manage their capital to ensure the Group and the Company maintain an optimal capital structure so as to support its business and maximise shareholder value. To achieve this objective, the Group and the Company may make adjustments to their capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on gearing ratio. The Group's and the Company's strategies were unchanged from 2021. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings, lease liabilities plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

As disclosed in Note 34 to the financial statements, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group and the Company are in compliance with the above externally imposed capital requirements at the end of each reporting period.

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade payables	**20,930**	26,356	**–**	–
Other payables and accruals	**8,176**	8,989	**200**	241
Due to a subsidiary	**–**	–	**2,147**	405
Loans and borrowings	**14,388**	18,494	**–**	–
Lease liabilities	**11,206**	5,125	**–**	–
Less: cash and cash equivalents	**(15,151)**	(15,737)	**(88)**	(768)
Net debt/(cash)	**39,549**	43,227	**2,259**	(122)
Total equity	**51,261**	65,125	**21,152**	31,463
Total capital	**90,810**	108,352	**23,411**	31,341
Gearing ratio	**43.55%**	39.89%	**9.65%**	Not meaningful

37. Financial risk management objectives and policies (Continued)

37.5 Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at each reporting date due to the relatively short-term maturity of these financial instruments. The fair value of the non-current financial assets and financial liabilities are disclosed in Notes 22, 29 and 31 to the financial statements.

37.6 Categories of financial instruments

The following table sets out the financial instruments as at each reporting date:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Financial assets measured at amortised cost	**27,175**	53,156	**7,145**	13,042
Financial liabilities				
Financial liabilities measured at amortised cost	**53,837**	58,195	**2,347**	646

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022

38. Dividends

The Company did not recommend any dividend in respect of the financial year ended 31 December 2022 and 31 December 2021.

39. Financial guarantees, unsecured

At each reporting date, the total amount of loans outstanding due from subsidiaries covered by the guarantees provided by the Company amounted to $10,464,000 (2021: $18,494,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the subsidiaries failed to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts. The Company issues guarantees only for its subsidiaries.

40. Subsequent event

On 2 February 2023, the company had entered into a non-binding memorandum of understanding with MECOM Power and Construction Limited, a company listed on the Main Board of the Hong Kong Stock Exchange, in relation to a potential strategic cooperation between the GSS Energy Limited and the MECOM Group to develop the electric vehicle business in Southeast Asia.

Subsequently on 31 May 2023, Giken Mobility Pte. Ltd. (“GM”), a wholly-owned subsidiary of the Company, and MUCharging (Macau) Limited (“MUCharging”), a wholly owned subsidiary of MECOM Power and Construction Limited, have entered into the joint venture agreement, in relation to cooperation in the development of the electric vehicle business primarily in the Republic of Singapore, Thailand, Indonesia and Malaysia, by way of formation of the joint venture.

Under the joint venture agreement, GM and MUCharging will incorporate a joint-venture company in Singapore. The initial paid-up capital of the joint venture company will be HK$100,000 (equivalent to approximately S$17,000).

Upon the incorporation of the joint venture company, GM and MUCharging will hold 45% and 55% of the initial issued and paid-up share capital of the joint venture company respectively.

41. Authorisation of financial statements

The consolidated financial statements of the Group for the financial year ended 31 December 2022, the statement of financial position of the Company as at 31 December 2022 and the statement of changes in equity of the Company for the financial year ended 31 December 2022 were authorised for issue by the Board of Directors on 7 July 2023.

Statistics of Shareholdings

As at 30 June 2023

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 shares
Treasury shares	Nil
Subsidiary holdings	Nil
Percentage of treasury shares and subsidiary holdings	Nil

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	6	0.21	146	0.00
100 – 1,000	331	11.81	300,248	0.05
1,001 – 10,000	998	35.60	5,313,000	0.84
10,001 – 1,000,000	1,421	50.70	180,886,807	28.70
1,000,000 AND ABOVE	47	1.68	443,691,756	70.41
TOTAL	**2,803**	**100.00**	**630,191,957**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	KGI SECURITIES (SINGAPORE) PTE. LTD.	109,566,832	17.39
2	PHILLIP SECURITIES PTE LTD	76,353,300	12.12
3	CITIBANK NOMINEES SINGAPORE PTE LTD	51,898,691	8.24
4	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	33,199,100	5.27
5	RAFFLES NOMINEES (PTE.) LIMITED	31,922,800	5.07
6	OCBC SECURITIES PRIVATE LIMITED	24,081,700	3.82
7	DBS NOMINEES (PRIVATE) LIMITED	22,080,700	3.50
8	MAYBANK SECURITIES PTE. LTD.	13,247,433	2.10
9	UOB KAY HIAN PRIVATE LIMITED	9,388,400	1.49
10	NG CHIN SIAU	7,700,000	1.22
11	IFAST FINANCIAL PTE. LTD.	4,582,600	0.72
12	YZELMAN GEOFFREY ERIC	3,545,400	0.56
13	NG CHONG KUAN	3,000,000	0.48
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,863,200	0.45
15	LIM CHEE SAN	2,767,000	0.44
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,729,900	0.43
17	CHRISTOPH OLIVER SEIBOLD-GRAF	2,300,000	0.37
18	KNG PONG SAI	2,150,000	0.34
19	LIN GUODONG	2,009,500	0.32
20	GAN LAY HAR	2,000,000	0.32
	TOTAL	**407,364,556**	**64.64**

Based on the information available to the Company as at 30 June 2023, approximately 60.41% of the Company's share are held in the hands of the public as defined in the Catalist Rules. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Statistics of Shareholdings

As at 30 June 2023

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Company's 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%	–	–
Glenn Fung Kau Lee[2]	–	–	72,700,000	11.54%
Yeung Kin Bond Sydney[3]	90,333,499	14.33%	1,400,001	0.22%
AP Capital Ltd	33,333,300	5.29%	–	–
Noside Holding Pte. Ltd.	50,000,000	7.93%	–	–
Phuripong Mangkornkanok[4]	–	–	50,000,000	7.93%
Nataphat Lertviriyasawat[4]	–	–	50,000,000	7.93%
Vikram Ahuja[4]	–	–	50,000,000	7.93%

WARRANT HOLDERS

(as recorded in the Company's Register of Warrant Holdings)

	Direct Interest		Deemed Interest	
	Number of Warrants	**%[1]**	**Number of Warrants**	**%[1]**
Warrants				
Noside Holding Pte. Ltd.	40,500,000	6.43%	–	–
Phuripong Mangkornkanok[5]	–	–	40,500,000	6.43%
Nataphat Lertviriyasawat[5]	–	–	40,500,000	6.43%
Vikram Ahuja[5]	–	–	40,500,000	6.43%

Notes:

(1) Based on 630,191,957 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Glenn Fung Kau Lee is deemed to have an interest in Sundan Pacific Limited's shareholding of 72,700,000 of shares in the Company by the virtue of his direct interest in issued capital of Sundan Pacific Limited.

(3) Yeung Kin Bond, Sydney is deemed to have an interest in Roots Capital Asia Limited's shareholding of 1,400,001 of shares in the Company by the virtue of his direct interest in issued capital of Roots Capital Asia Limited.

(4) Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in Noside Holding Pte. Ltd's shareholding of 50,000,000 of shares in the Company by the virtue of their respective direct interest in issued capital of Noside Holding Pte. Ltd.

(5) Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in Noside Holding Pte. Ltd.'s interest in the 40,500,000 of warrants in the Company by the virtue of their respective direct interest in the issued capital of Noside Holding Pte. Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth 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 Friday, 28 July 2023 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 2022 together with the Auditors' Reports thereon.

(Resolution 1)

2. To approve the payment of Directors' Fees of S$116,000 (FY2022: S$116,000) for the financial year ending 31 December 2023.

(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 ("**SGX-ST**"):

    (i) Mr Kuek Eng Chye, Anthony (see Explanatory Note 1) **(Resolution 3a)**

    (ii) Mr Lee Kok Beng (see Explanatory Note 2) **(Resolution 3b)**

4. To re-appoint Messrs BDO 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 (i) 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 (ii) 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. **The 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 through the ready market of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time be listed and quoted ("**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**On-Market Share Buy-Back**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules (the "**Off-Market Share Buy-Back**");

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

Notice of Annual General Meeting

(b) any 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;

(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 purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; and

   (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;

(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 an On-Market Share Buy-Back, one hundred and five per centum (105%) of the Average Closing Price; and

   (ii) in the case of an Off-Market Share Buy-Back, one hundred and twenty per centum (120%) of the Average Closing Price,

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 a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, preceding the day of the On-Market Share Buy-Back or, as the case may be, the day of the making of the offer pursuant to an Off-Market Share Buy-Back, as deemed to be adjusted for any corporate action that occurs during the relevant five (5) market day period and the day of the On-Market Share Buy-Back or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Buy-Back;

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"**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 holders of Shares, stating the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back; 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)**

BY ORDER OF THE BOARD
GSS Energy Limited

Anthony Kuek
Chairman
13 July 2023

Explanatory Notes:

1. Mr Kuek Eng Chye, Anthony will, upon passing Ordinary Resolution 3a in Item 3 above, will remain as the Chairman of the Remuneration and Nominating Committees and a member of Audit Committee. Mr Kuek Eng Chye, Anthony will exceed the nine-year tenure limit for independent director after 17 November 2023 and will continue to be deemed independent until the next AGM in accordance with Catalist Rule 406(3)(d)(iv), which takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023. For the avoidance of doubt, he will not be considered for re-election as an independent director at the annual general meeting of the Company for the financial year ending 31 December 2023, as he will exceed the nine-year tenure limit as independent director of the Company.

2. Mr Lee Kok Beng will, upon passing the Ordinary Resolution 3b in item 3 above, remain as an Executive Director of the Company.

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 Resolution would not exceed one hundred per centum (100%) of the total number of issued shares of the Company at the time of passing this Resolution. 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 Resolution, 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.

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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 On-Market Share Buy-Backs or Off-Market Share Buy-Backs of up to the Maximum Limit at the Maximum Price in accordance with the terms and conditions set out in the Appendix to this Notice of Annual General Meeting, the Act and the Catalist Rules. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

Notes:

1. The Company is pleased to announce that the AGM will be held, in a wholly physical form, at Block 4012 Ang Mo Kio Avenue 10, #05-01 Techplace 1, Singapore 569628 on 28 July 2023 at 10.00 a.m. **There will be no option for shareholders to participate virtually.** This Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL https://gssenergy.com.sg/agm/ and will also be available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. A member will need an internet browser and PDF reader to view these documents. Printed copies of this Notice of AGM and the accompanying proxy form will be sent to members via post. Printed copies of the AR2022 and the Appendix to this Notice of AGM will not be sent to members. A member who wishes to obtain a printed copy of the AR2022 and/or the Appendix 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's Registered Office at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 or email to arrequest@gssenergy.com.sg no later than 21 July 2023. The printed copy will be mailed to you within 14 working days upon receiving your request.

2. A member who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend, speak and vote at the AGM. A member of the Company which is a corporation is entitled to appoint its authorized representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   Where such member appoints two proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified. If no proportion is specified, the appointment will be considered as invalid.

3. A member who is a Relevant Intermediary is entitled to appoint more than one or two proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to different Shares held by such member.

   "**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.

4. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. 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 submitted at the Company's Registered Office at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gssagm2023@boardroomlimited.com,

   in either case not less than seventy-two (72) hours before the time appointed for the AGM (i.e. by **10.00 a.m. on 25 July 2023**) or any adjournment thereof.

   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.

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(c) The instrument appointing a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy 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.

(d) Investors who hold the Shares via a securities sub-account with a Depository Agent ("**DA**") and wish to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, should contact their respective DAs as soon as possible in order for the necessary arrangements to be made by their DAs for such appointment.

(e) The Chairman of the AGM, as proxy, need not be a member of the Company.

(f) 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 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.

6. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner:

(a) if submitted by post, be submitted at the Company's Registered Office at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at gssagm2023@boardroomlimited.com.

The submission deadline for questions is 5.00 p.m. on 20 July 2023.

The Company will consider all questions and endeavour to address all substantial and relevant questions on the resolutions tabled for approval at the AGM which are received from members, via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at URL https://gssenergy.com.sg/announcements/ no later than **10.00 a.m. on 23 July 2023**, which is at least 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.

7. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet. within one month after the AGM.

Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any questions prior to the AGM in accordance with this 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 following purposes:

(a) processing and administration by the Company (or its agents or service providers) of the appointment of the proxy(ies) and representative appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(b) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(c) in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Shareholder (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such purpose.

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

PROXY FORM
(Please see notes overleaf before completing this Proxy Form)

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 investor who holds shares under 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 them. CPF Investors/SRS Investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

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 him/her, the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**AGM**") of the Company to be held at Block 4012 Ang Mo Kio Avenue 10, #05-01 Techplace 1, Singapore 569628 on Friday, 28 July 2023 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. 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, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

No.	**Ordinary Resolutions relating to:**	**For***	**Against***	**Abstain***
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2	To approve the payment of Directors' Fees of S$116,000 for the financial year ended 31 December 2023			
3a	To re-elect Mr Kuek Eng Chye, Anthony as a Director pursuant to Regulation 89 of the Constitution of the Company and Rule 720 (4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST")			
3b	To re-elect Mr Lee Kok Beng as a Director 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 (the "SGX-ST")			
4	To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
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			

* If you wish your proxy to cast all your votes **For** or **Against** a resolution, please tick with "√" in the **For** or **Against** box. Alternatively, please indicate the number of votes **For** or **Against** each resolution. If you wish your proxy to **Abstain** from voting on a resolution, please tick with "√" in the **Abstain** box. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting. All resolutions put to the vote at the AGM shall be decided by way of poll.

Dated this _____ day of ______________ 2023

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

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 proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her 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 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 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 submitted at the Company's Registered Office at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gssagm2023@boardroomlimited.com,

   in either case not less than seventy-two (72) hours before the time appointed for the AGM (i.e. by **10.00 a.m. on 25 July 2023**) or any adjournment thereof.

   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.

   (c) The instrument appointing a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy 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.

   (d) Investors who hold the Shares via a securities sub-account with a Depository Agent ("**DA**") and wish to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, should contact their respective DAs as soon as possible in order of the necessary arrangements to be made by their DAs for such appointment.

   (e) The Chairman of the AGM, as proxy, need not be a member of the Company.

   (f) 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 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.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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 fully authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. 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.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 July 2023.

GSS Energy Limited

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Singapore 569628
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