

# **SHS HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number.: 197502208Z)



**Condensed Interim Financial Statements  
For The Six Months and Full Year Ended 31 December 2023**



# SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration Number: 197502208Z)

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# SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration Number: 197502208Z)

## Unaudited Results for the Six Months and Full Year Ended 31 December 2023

### (A) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2H2023 S\$'000	Group 2H2022 S\$'000	Change %	FY2023 S\$'000	Group FY2022 S\$'000	Change %
Revenue	3.3	43,198	46,307	(6.7)	82,204	87,222	(5.8)
Cost of sales		(37,705)	(35,666)	5.7	(69,270)	(68,157)	1.6
<b>Gross profit</b>		<b>5,493</b>	<b>10,641</b>	<b>(48.4)</b>	<b>12,934</b>	<b>19,065</b>	<b>(32.2)</b>
Other income		1,834	1,725	6.3	3,207	2,447	31.1
Selling and distribution expenses		(465)	(206)	125.7	(673)	(414)	62.6
Administrative expenses		(2,927)	(3,355)	(12.8)	(6,467)	(7,046)	(8.2)
Other operating expenses		(2,316)	(3,509)	(34.0)	(4,572)	(6,693)	(31.7)
Reversal of impairment losses / (impairment losses) on financial assets, net		36	-	100.0	36	(92)	(139.1)
Finance costs		(643)	(374)	71.9	(1,099)	(689)	59.5
Share of loss of associate, net of tax		*	(574)	(100.0)	*	(830)	N.M
<b>Profit before tax</b>	4	<b>1,012</b>	<b>4,348</b>	<b>(76.7)</b>	<b>3,366</b>	<b>5,748</b>	<b>(41.4)</b>
Taxation	5	(516)	223	(331.4)	(604)	(114)	429.8
<b>Profit after tax for the period/year</b>		<b>496</b>	<b>4,571</b>	<b>(89.1)</b>	<b>2,762</b>	<b>5,634</b>	<b>(51.0)</b>
<b>Other comprehensive income/(loss), net of tax:</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Revaluation surplus on property, plant and equipment		4,759	-	N.M	4,759	-	N.M
Revaluation surplus on disposal of property, plant and equipment		-	(338)	N.M	-	(338)	N.M
Net fair value changes on equity instruments at fair value through other comprehensive income ("FVOCI")		(199)	(835)	(76.2)	(199)	-	N.M
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation		(6)	(444)	(98.6)	(67)	(928)	(92.8)
<b>Other comprehensive income/(loss) for the period/year</b>		<b>4,554</b>	<b>(1,617)</b>	<b>(381.6)</b>	<b>4,493</b>	<b>(1,266)</b>	<b>(454.9)</b>
<b>Total comprehensive income for the period/year</b>		<b>5,050</b>	<b>2,954</b>	<b>71.0</b>	<b>7,255</b>	<b>4,368</b>	<b>66.1</b>
<b>Profit for the period/year attributable to:</b>							
Equity holders of the Company		319	4,028	(92.1)	2,495	5,056	(50.7)
Non-controlling interest		177	543	(67.4)	267	578	(53.8)
		<b>496</b>	<b>4,571</b>	<b>(89.1)</b>	<b>2,762</b>	<b>5,634</b>	<b>(51.0)</b>
<b>Total comprehensive income for the period/year attributable to:</b>							
Equity holders of the Company		4,909	2,566	91.3	7,021	3,945	78.0
Non-controlling interests		141	388	(63.7)	234	423	(44.7)
		<b>5,050</b>	<b>2,954</b>	<b>71.0</b>	<b>7,255</b>	<b>4,368</b>	<b>66.1</b>
<b>Earnings per share for the period/year(cents per share):</b>							
Basic and diluted	6	0.051	0.64	(92.0)	0.40	0.80	(50.0)

\* - Amount less than \$1,000

NM - Not meaningful

The above condensed interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



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## Unaudited Results for The Six Months and Full Year Ended 31 December 2023

### (B) Condensed Interim Statements of Financial Position

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	42,710	39,613	44	14
Right-of-use assets		3,555	3,820	1,036	1,198
Investment property	10	-	-	7,371	8,542
Investment in subsidiaries		-	-	34,227	33,227
Investment in associate		64	245	-	-
Other financial assets	12	14,322	14,093	14,320	14,044
Goodwill	11	6,000	6,000	-	-
Other receivables		2,680	2,814	2,680	2,814
		<u>69,331</u>	<u>66,585</u>	<u>59,678</u>	<u>59,839</u>
<b>Current assets</b>					
Cash and bank balances		48,036	59,975	23,314	44,202
Inventories		5,886	4,281	-	-
Land held for development		5,077	4,566	-	-
Trade receivables	13	21,482	20,039	-	-
Contract assets	14	9,637	8,021	-	-
Other receivables and prepayments		24,271	3,497	925	1,352
Amounts due from subsidiaries		-	-	53,782	32,549
		<u>114,389</u>	<u>100,379</u>	<u>78,021</u>	<u>78,103</u>
<b>Total assets</b>		<u>183,720</u>	<u>166,964</u>	<u>137,699</u>	<u>137,942</u>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables and accruals		8,326	6,822	349	373
Contract liabilities	14	3,727	2,648	-	-
Other payables		2,972	2,558	581	515
Amount due to subsidiaries		-	-	600	205
Amounts due to bankers	15	16,430	7,628	-	-
Term loans	15	3,383	7,283	-	-
Lease liabilities		279	236	159	145
Provision for income tax		718	425	-	-
		<u>35,835</u>	<u>27,600</u>	<u>1,689</u>	<u>1,238</u>
<b>Non-current liabilities</b>					
Term loans	15	4,833	2,254	-	-
Lease liabilities		3,769	3,953	1,036	1,198
Deferred tax liabilities		2,725	1,718	1,577	1,577
		<u>11,327</u>	<u>7,925</u>	<u>2,613</u>	<u>2,775</u>
<b>Total liabilities</b>		<u>47,162</u>	<u>35,525</u>	<u>4,302</u>	<u>4,013</u>
<b>Equity</b>					
Share capital	16	155,547	155,547	155,547	155,547
Treasury shares	16	(11,524)	(11,524)	(11,524)	(11,524)
Asset revaluation reserve		18,329	12,473	8,582	8,582
Fair value reserve		(10,060)	(9,861)	(10,398)	(10,247)
Foreign currency translation reserve		(380)	(334)	-	-
Other reserve		-	-	3,297	3,297
Accumulated losses		(15,751)	(15,175)	(12,107)	(11,726)
<b>Equity attributable to owners of the Company</b>		<u>136,161</u>	<u>131,126</u>	<u>133,397</u>	<u>133,929</u>
Non-controlling interests		397	313	-	-
<b>Total equity</b>		<u>136,558</u>	<u>131,439</u>	<u>133,397</u>	<u>133,929</u>
<b>Total liabilities and equity</b>		<u>183,720</u>	<u>166,964</u>	<u>137,699</u>	<u>137,942</u>

The above condensed interim statements of financial positions should be read in conjunction with the accompanying notes.



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## Unaudited Results for The Six Months and Full Year Ended 31 December 2023

### (C) Condensed Interim Statements of Changes in Equity

	Attributable to equity holders of the Company					Accumulated losses S\$'000	Total S\$'000	Non-controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Asset revaluation reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000				
<b>Group</b>									
<b>At 1 January 2023</b>	155,547	(11,524)	12,473	(9,861)	(334)	(15,175)	131,126	313	131,439
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	2,495	2,495	267	2,762
Other comprehensive income, net of tax	-	-	4,759	(199)	(34)	-	4,526	(33)	4,493
Total comprehensive income for the year	-	-	4,759	(199)	(34)	2,495	7,021	234	7,255
<u>Transactions with owners of the Company</u>									
Dividend paid	-	-	-	-	-	(2,136)	(2,136)	-	(2,136)
Transfer of reserves	-	-	1,098	-	-	(1,095)	3	(3)	-
Total contributions and distributions	-	-	1,098	-	-	(3,231)	(2,133)	(3)	(2,136)
<u>Changes in ownership interests in subsidiary</u>									
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	(1)	-	(12)	160	147	(147)	-
Total changes in ownership interests in subsidiary	-	-	(1)	-	(12)	160	147	(147)	-
<b>At 31 December 2023</b>	<b>155,547</b>	<b>(11,524)</b>	<b>18,329</b>	<b>(10,060)</b>	<b>(380)</b>	<b>(15,751)</b>	<b>131,161</b>	<b>397</b>	<b>136,558</b>
<b>At 1 January 2022</b>	<b>160,640</b>	<b>(5,395)</b>	<b>12,771</b>	<b>(9,861)</b>	<b>479</b>	<b>(20,231)</b>	<b>138,403</b>	<b>(110)</b>	<b>138,293</b>
Profit for the year	-	-	-	-	-	5,056	5,056	578	5,634
Other comprehensive loss, net of tax	-	-	(298)	-	(813)	-	(1,111)	(155)	(1,266)
Total comprehensive income for the year	-	-	(298)	-	(813)	5,056	3,945	423	4,368
Shares buy-back	(5,093)	(6,129)	-	-	-	-	(11,222)	-	(11,222)
<b>At 31 December 2022</b>	<b>155,547</b>	<b>(11,524)</b>	<b>12,473</b>	<b>(9,861)</b>	<b>(334)</b>	<b>(15,175)</b>	<b>131,126</b>	<b>313</b>	<b>131,439</b>

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**Unaudited Results for The Six Months and Full Year Ended 31 December 2023****(C) Condensed Interim Statements of Changes in Equity**

	Share capital S\$'000	Treasury shares S\$'000	Asset revaluation reserve S\$'000	Other reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Company</b>							
<b>At 1 January 2023</b>	<b>155,547</b>	<b>(11,524)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,247)</b>	<b>(11,726)</b>	<b>133,929</b>
Profit for the year	-	-	-	-	-	1,755	1,755
Other comprehensive loss, net of tax	-	-	-	-	(151)	-	(151)
Total comprehensive loss for the year	-	-	-	-	(151)	1,755	1,604
Dividends paid	-	-	-	-	-	(2,136)	(2,136)
<b>At 31 December 2023</b>	<b>155,547</b>	<b>(11,524)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,398)</b>	<b>(12,107)</b>	<b>133,397</b>
<b>At 1 January 2022</b>	<b>160,640</b>	<b>(5,395)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,247)</b>	<b>(13,964)</b>	<b>142,913</b>
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	2,238	2,238
Shares buy-back	(5,093)	(6,129)	-	-	-	-	(11,222)
<b>At 31 December 2022</b>	<b>155,547</b>	<b>(11,524)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,247)</b>	<b>(11,726)</b>	<b>133,929</b>

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.

**SHS HOLDINGS LTD.**

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**Unaudited Results for The Six Months and Full Year Ended 31 December 2023****(D) Condensed Interim Consolidated Statement of Cash Flows**

	Note	Group 2023 S\$'000	2022 S\$'000
<b>Cash Flows from Operating Activities</b>			
Profit for the year		2,762	5,634
<b>Adjustments for:</b>			
Taxation	5	604	114
Depreciation of property, plant and equipment	4	4,032	4,119
Depreciation of right-of-use assets	4	338	403
Interest expense	4	1,099	689
Interest income	4	(1,786)	(815)
Impairment loss on investments in associate	4	181	-
Inventory written off	4	27	-
Allowance for inventory obsolescence	4	14	5
Property, plant and equipment written off		5	-
Gain on disposal of property, plant and equipment		(15)	(338)
Share of loss of associate, net of tax		*	830
(Reversal of impairment losses)/impairment losses on financial assets	4	(36)	92
Reversal of prior year written down of land held for development		(511)	-
Unrealised foreign exchange loss, net		337	383
<b>Operating cash flows before working capital changes</b>		<b>7,051</b>	<b>11,116</b>
Changes in working capital:			
Inventories		(1,645)	(1,437)
Receivables, contract assets and prepayments		(24,217)	(1,043)
Payables and contract liabilities		2,997	(37)
<b>Cash (used in)/generated from operations</b>		<b>(15,814)</b>	<b>8,599</b>
Interest received		1,786	815
Income tax paid		(253)	(63)
<b>Net cash (used in)/generated from operating activities</b>		<b>(14,281)</b>	<b>9,351</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment		(1,640)	(716)
Proceeds from disposal of property, plant and equipment		44	74
Proceeds from capital reduction in other financial assets		-	6
Additional investment in other financial assets		-	(152)
Purchases of notes receivables		(5,395)	-
Proceeds from disposal of notes receivables		5,395	-
<b>Net cash used in investing activities</b>		<b>(1,596)</b>	<b>(788)</b>
<b>Cash Flows from Financing Activities</b>			
Shares buy-back		-	(11,222)
Payment of lease liabilities		(528)	(506)
Dividends paid		(2,136)	-
Drawdown of term loan		1,000	2,000
Repayment of term loan		(2,646)	(5,575)
Drawdown of trust receipts		15,766	16,650
Repayment of trust receipts		(19,105)	(15,802)
Transaction with non-controlling interests		(40)	-
Bill payables		11,629	-
Fixed deposits pledged		(11,629)	-
<b>Net cash used in financing activities</b>		<b>(7,689)</b>	<b>(14,455)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(23,566)</b>	<b>(5,892)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>59,975</b>	<b>66,380</b>
Effects of exchange rate changes on the balances of cash held in foreign currencies		(2)	(513)
<b>Cash and cash equivalents at the end of the year</b>		<b>36,407</b>	<b>59,975</b>

\* Amount of less than \$1,000

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# SHS HOLDINGS LTD.

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## Unaudited Results for Six Month and Full Year Ended 31 December 2023

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### (D) Condensed Interim Consolidated Statement of Cash Flows (continued)

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	S\$'000	S\$'000
<b>Cash and bank balances per consolidated statements of financial position</b>	48,036	59,975
Less: Fixed deposits pledged	(11,629)	-
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<u>36,407</u>	<u>59,975</u>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*





# SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

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## E Notes to the Condensed Interim Consolidated Financial Statements

### 1 Corporate information

SHS Holdings Ltd. (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

The Company’s registered address and principal place of business is at 19 Tuas Avenue 20, Singapore 638830.

The principal activities of the Company are investment holding. The principal activities of the Group are those corrosion prevention services, engineering and construction, solar energy related services and trading of aluminium products.

### 2 Basis of preparation

- 2.1 The condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2022. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended Standards as set out in note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

#### 2.2 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except that in the current financial year, the Group has adopted all the new and revised standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

#### 2.3 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management is of the opinion that there are no critical judgements made in the process of applying the Group’s accounting policies that have a significant effect on the amounts recognised in the financial statements.



## **SHS HOLDINGS LTD.**

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### **E Notes to the Condensed Interim Consolidated Financial Statements**

#### **3 Segmental reporting**

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance of the Group. The Group's reportable operating segments are as follows:

- *Engineering & Construction*

The engineering & construction segment is in the business of designing, engineering and construction of steel, aluminium and glass structures, and design and; construction services including major upgrading works.

- *Corrosion Prevention*

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

- *Solar Energy*

The solar energy segment specialises in solar energy development and engineering and project management for electrical works.

- *Trading of Commodities*

The trading segment specialises in promoting and selling of metals and aluminium related products.

- *Others*

Others segment consists of property development business, warehousing, corporate head office and strategic investments.



# SHS HOLDINGS LTD.

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## E Notes to the Condensed Interim Consolidated Financial Statements

### 3.1 Segment revenues and results

	Engineering & Construction		Corrosion Prevention		Solar Energy		Trading of commodities		Others		Total	
	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
<b>Segment revenue</b>	33,134	60,348	16,680	16,368	18,864	10,506	13,526	-	-	-	82,204	87,222
<b>Results</b>												
<b>Segment results</b>	5,730	8,629	823	1,915	2,338	1,620	465	-	(2,137)	(201)	7,219	11,963
Allowance for inventory obsolescence	-	-	(14)	(5)	-	-	-	-	-	-	(14)	(5)
Inventory written off	-	-	(27)	-	-	-	-	-	-	-	(27)	-
Reversal of prior year write down of land held for development	-	-	-	-	-	-	-	-	511	-	511	-
(Impairment losses)/reversal of impairment losses on financial assets, net	(42)	-	78	(92)	-	-	-	-	-	-	36	(92)
Finance costs	(878)	(547)	(9)	(88)	(124)	(54)	(7)	-	(81)	-	(1,099)	(689)
Share of loss of associate, net of tax											*	(830)
Other income											3,207	2,447
Central administrative expenses and directors' remuneration											(6,467)	(7,046)
<b>Profit before tax</b>											3,366	5,748
Taxation											(604)	(114)
<b>Profit for the year</b>											2,762	5,634
<b>Other information</b>												
Depreciation of property, plant and equipment	1,628	1,939	2,204	2,164	200	16	-	-	-	-	4,032	4,119
Depreciation of right-of-use assets	159	108	179	295	-	-	-	-	-	-	338	403
Revaluation surplus on leasehold properties	4,165	-	594	-	-	-	-	-	-	-	4,759	-
Impairment on investment in associate	181	-	-	-	-	-	-	-	-	-	181	-
Addition to property, plant and equipment	299	606	111	76	1,230	34	-	-	-	-	1,640	716

\*Amount below \$1,000

Revenue reported above represents revenue generated from external customers. Inter-segment sales for FY2023 was S\$1,739,230 (FY2022: S\$2,556,000). Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs and directors' remuneration, share of loss of associates and other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



# SHS HOLDINGS LTD.

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## E Notes to the Condensed Interim Consolidated Financial Statements

### 3.2 Segment assets and liabilities

	Group	
	2023	2022
	S\$'000	S\$'000
<b><u>Segment assets</u></b>		
Engineering & Construction	58,739	61,784
Corrosion Prevention	30,006	38,517
Solar Energy	17,385	6,275
Trading of commodities	28,805	-
Others	48,785	60,388
<b>Total segment assets</b>	183,720	166,964
<b><u>Segment liabilities</u></b>		
Engineering & Construction	20,602	17,152
Corrosion Prevention	3,135	13,948
Solar Energy	6,422	1,879
Trading of commodities	12,564	-
Others	996	403
<b>Total segment liabilities</b>	43,719	33,382
<b><u>Unallocated liabilities</u></b>		
- Provision for income tax	718	425
-Deferred tax liabilities	2,725	1,718
<b>Consolidated liabilities</b>	47,162	35,525

### 3.3 Geographical information

The Group's operations is primarily carried out in Singapore. The Group's revenue from external customers and information about its non-current assets by geographical locations are detailed below.

	<u>Group's revenue from external</u>		<u>Group's non-current assets</u> <sup>(i)</sup>	
	<u>customers</u>			
	FY2023	FY2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	64,013	84,464	51,684	48,560
Rest of Southeast Asia <sup>(ii)</sup>	4,593	2,758	3,325	3,904
The People's Republic of China	13,526	-	-	28
Others <sup>(iii)</sup>	72	-	-	-
	82,204	87,222	55,009	52,492

(i) Non-current assets exclude other financial assets

(ii) Rest of South East Asia includes Malaysia, Vietnam and Indonesia

(iii) Others include Australia and New Zealand

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**E Notes to the Condensed Interim Consolidated Financial Statements****3.4 Disaggregation of revenue from contracts with customers**

	<b>Group</b>	
	<b>FY2023</b>	<b>FY2022</b>
	S\$'000	S\$'000
<b><u>Principal geographical market</u></b>		
<i>Singapore</i>		
- Engineering & construction services	33,134	60,348
- Services rendered – grit blasting and painting	14,190	12,727
- Solar power installation service	11,132	4,343
- Sale of blasting equipment goods	1,067	2,396
- Sale of solar power equipment goods	4,490	4,650
	64,013	84,464
<i>Rest of Southeast Asia<sup>(i)</sup></i>		
- Sale of solar power equipment goods	3,243	1,513
- Sale of blasting equipment goods	1,350	1,245
	4,593	2,758
<i>The People's Republic of China</i>		
- Sale of aluminium products	13,526	-
<i>Others<sup>(ii)</sup></i>		
- Sale of blasting equipment goods	72	-
Total revenue	82,204	87,222
<b><u>Major products or service lines and time of revenue recognition</u></b>		
<i>At a point in time</i>		
- Sale of solar power equipment goods	7,733	6,163
- Sale of blasting equipment goods	2,489	3,641
- Sale of aluminium products	13,526	-
	23,748	9,804
<i>Over time</i>		
- Engineering & construction services	33,134	60,348
- Services rendered – grit blasting and painting	14,190	12,727
- Solar power installation service	11,132	4,343
	58,456	77,418
Total revenue	82,204	87,222

<sup>(i)</sup> Rest of Southeast Asia includes Malaysia, Vietnam and Indonesia<sup>(ii)</sup> Others include Australia and New Zealand

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**E Notes to the Condensed Interim Consolidated Financial Statements****4 Profit before tax**

Profit before tax for the six months and full year ended 31 December is arrived at after crediting/(charging) the following:

	Group		Group	
	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Other income	687	915	989	1,532
Rental income	378	65	432	100
Interest income	769	143	1,786	815
Interest expenses	(643)	(374)	(1,099)	(689)
Depreciation of property, plant and equipments	(2,356)	(2,226)	(4,032)	(4,119)
Depreciation of right-of-use assets	(172)	(181)	(338)	(403)
(Impairment losses)/Reversal of impairment losses on financial assets, net	(9)	(98)	36	-
Reversal of prior year write down of land held for development	511	-	511	-
Allowance/(reversal of allowance) for inventory obsolescence	(9)	(3)	14	(20)
Inventory written off	(27)	-	(27)	-
Impairment loss on investment in associate	(181)	-	(181)	-
Foreign currency exchange (loss)/gain, net	(796)	206	(815)	731

**5 Taxation**

The major components of taxation for the six months and full year ended 31 December are:

	Group		Group	
	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current income tax</b>				
Current period/year	(292)	203	(384)	(138)
(Under)/over provision in respect of prior year	(184)	-	(182)	13
	(476)	203	(566)	(125)
<b>Deferred income tax:</b>				
Origination and reversal of temporary differences	(40)	(4)	(38)	11
Overprovision in respect of prior year	-	24	-	-
	(40)	20	(38)	11
Total income tax (expenses)/credit	(516)	223	(604)	(114)

The corporate income tax applicable to the Company and other Singapore incorporated entities of the Group is 17% (FY2022: 17%). The entities of the Group in Malaysia, Indonesia and China are subject to a corporate income tax rate of 24%, 22% and 25% respectively. The remaining entities of the Group operating in other jurisdictions are considered not material.



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## E Notes to the Condensed Interim Consolidated Financial Statements

### 6 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share ("EPS") is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus.

	Group		Group	
	2H2023	2H2022	FY2023	FY2022
Earnings per ordinary share for the period/year:				
(i) Based on weighted average number of ordinary shares	0.051 cents	0.64 cents	0.40 cents	0.80 cents
(ii) On a diluted basis	0.051 cents	0.64 cents	0.40 cents	0.80 cents
Weighted average number of shares excluding treasury shares for computing basic and diluted EPS	629,947,341	629,947,341	629,947,341	629,947,341

### 7 Dividend

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Ordinary dividends paid:		
- Final exempted (one-tier) dividend of S\$0.0035 (2022: Nil) per ordinary share in respect of the financial year ended 31 December 2022	2,136	-
Proposed but not recognised as a liability as at 31 December 2023		
- Exempt dividend for 2023 of S\$0.00284 (2022: S\$0.0035) per share	1,736	-

### 8 Net asset value per share

	Group		Company	
	2023	2022	2023	2022
Net asset value per ordinary share	22.37 cents	21.53 cents	21.31 cents	21.94 cents
Number of shares in issue, excluding treasury shares at the end of the year	610,403,412	610,403,412	610,403,412	610,403,412



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## E Notes to the Condensed Interim Consolidated Financial Statements

### 9 Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$1,640,000 (FY2022: S\$716,000).

#### Assets pledged as security

At the reporting date, the Group's leasehold buildings at 81 Tuas South Street 5 Singapore 637651 and 19 Tuas Avenue 20 Singapore 638830 amounting to S\$36,005,000 (2022: S\$33,221,000) are mortgaged to secure the credit facilities of the Group.

#### Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of an asset or group of assets is assessed as the higher of its fair value less costs of disposal and its value in use.

The Group's leasehold buildings were professionally valued by an independent valuer based on open market value as at 31 December 2023. In determining the fair value, the valuer has used the direct sales comparison method by referring to market evidence of recent transactions for similar properties. Based on the valuation, management concluded that there was no impairment in respect of the leasehold buildings at the end of the reporting period.

### 10 Investment property

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	S\$'000	S\$'000
<u>Cost</u>		
At beginning and end of the year	14,400	14,400
<u>Accumulated depreciation</u>		
At beginning of the year	5,858	4,686
Depreciation charge	1,171	1,172
At end of the year	7,029	5,858
<u>Net book value</u>		
At end of the year	7,371	8,542

The Company's leasehold building at 81 Tuas South Street 5 Singapore 637651 is leased to certain subsidiaries of the Group to earn leasing revenue. Accordingly, the leasehold building is classified as an investment property on the statement of financial position of the Company. Investment property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The fair value of the investment property measured using valuation inputs categorised as Level 3 in the fair value hierarchy is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>2023</u>				
Investment property	-	-	12,300	12,300
<u>2022</u>				
Investment property	-	-	14,100	14,100

The fair value of the investment property is determined based on a valuation by an independent professional valuer at the end of 31 December 2023. In determining the fair value, the valuer has used the direct comparison method by referring to market evidence of recent transactions for similar properties. Based on the valuation, management concluded that there was no impairment in respect of the investment property at the end of the reporting period.





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## E Notes to the Condensed Interim Consolidated Financial Statements

### 11 Goodwill

For the purpose of impairment testing, goodwill has been allocated to the respective cash-generating unit (CGU) under the relevant operating segments as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	S\$'000	S\$'000
<b><u>Engineering &amp; Construction</u></b>		
<b><i>Hetat Holdings Pte Ltd ("Hetat")</i></b>		
At beginning and end of the year	6,000	6,000

#### **Impairment testing for goodwill**

The recoverable amount of the CGUs has been determined based on value in use calculations using cash flow forecasts covering a five-year period. The discount rate applied to the cash flow forecasts, forecasted growth rates, budgeted gross margins, and the terminal growth rates used to extrapolate cash flow forecasts beyond the five-year period was based on the following key assumptions:

- (i) Revenue and budgeted margins for the five-year period are projected based on contracts secured with the customers with order books on hand for the first year and thereafter with a forecasted growth rate of 2% (2022: Nil).
- (ii) Inflation rate of 3.5% (2022: 3.5%) has been used to project for overhead and other general expenses.
- (iii) Terminal growth rate of 2% (2022: Nil) has been used for terminal value.
- (iv) Discount rate of 14.5% (2022: 13.8%) represents the current market assessment of the risks specific to the CGU.

### 12 Other financial assets

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equity investments measured at fair value through other comprehensive income (FVOCI)				
- Equity securities in investee companies	14,322	14,093	14,320	14,044

At the reporting date, the Group measured the fair value of these unquoted equity investments based on the adjusted net asset value of the investee companies as of 31 December 2023 or based on recent transaction prices between knowledgeable and willing parties. These valuation inputs are categorised as Level 3 in the fair value hierarchy. During the financial year ended 31 December 2023, a fair value loss, net of S\$199,000 (2022: Nil) was recognised in other comprehensive income.

### 13 Trade receivables

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	S\$'000	S\$'000
Trade receivables:		
- third parties	13,183	13,289
- related company	148	148
- retention sums on construction contracts	9,892	8,497
	23,223	21,934
Less: Allowance for expected credit loss	(1,741)	(1,895)
	21,482	20,039

The credit period for trade receivables ranges from 30 to 90 days (2022: 30 to 90 days). No interest is charged on the outstanding balances of trade receivables.



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## E Notes to the Condensed Interim Consolidated Financial Statements

### 14 Contract assets and contract liabilities

	Group	
	2023	2022
	S\$'000	S\$'000
<u>Contract assets – current</u>		
Amount due from customers <sup>(i)</sup>	9,298	7,981
Contracts work in progress <sup>(ii)</sup>	339	40
	9,637	8,021
<u>Contract liabilities – current</u>		
Amount due to customers	3,727	2,648

(i) Amount due from customers represents the Group's rights in consideration of work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.

(ii) Contracts work in progress represents costs recognised that relate to future activity and have not been used in contract performance at the reporting date.

### 15 Bank borrowings

	Group	
	2023	2022
	S\$'000	S\$'000
<b>Amounts due to bankers - Current</b>		
Bill payables	11,629	-
Trust receipts	4,801	7,628
	16,430	7,628
<b>Term loans - Current</b>		
Amount repayable in one year or less, or on demand		
Term loan I, Secured	1,108	6,039
Term loan II, Secured	1,270	1,244
Money Market Line loan, Secured	1,005	-
	3,383	7,283
<b>Term loans – Non-Current</b>		
Amount repayable after one year		
Term loan I, Secured	3,850	-
Term loan II, Secured	983	2,254
	4,833	2,254

The credit facilities of the Group were secured by the following:

- (i) first legal mortgage over 81 Tuas South Street 5, Singapore 637651;
- (ii) first legal mortgage over 19 Tuas Avenue 20, Singapore 638830;
- (iii) first deed of debenture duly executed, incorporating a fixed and floating charge over the present and future undertaking, assets, revenues and rights of a subsidiary of the Group;
- (iv) fixed deposits amounting to S\$11,649,000 (2022: Nil) pledged under a subsidiary of the Group; and
- (v) corporate guarantee from the Company for a total of S\$65.1 million (2022: S\$65.1 million).



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## E Notes to the Condensed Interim Consolidated Financial Statements

### 16 Issued and paid-up capital

	Group and Company			
	2023		2022	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Issued and fully paid, with no par value:				
At beginning of the year	678,109,912	155,547	710,639,212	160,640
Shares cancelled during the year	-	-	(32,529,300)	(5,093)
At end of the year	<u>678,109,912</u>	<u>155,547</u>	<u>678,109,912</u>	<u>155,547</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction, except for treasury shares, at general meetings of the Company and rank equally with regards to the Company's residual assets.

#### Treasury Shares

	Group and Company			
	2023		2022	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Issued and fully paid, with no par value:				
At beginning of the year	67,706,500	(11,524)	28,001,900	(5,395)
Shares buy-back during the year	-	-	39,704,600	(6,129)
At end of the year	<u>67,706,500</u>	<u>(11,524)</u>	<u>67,706,500</u>	<u>(11,524)</u>

The number of issued shares (excluding Treasury Shares) as at 31 December 2023 is 610,403,412 (2022: 610,403,412).

During the previous financial year, the Company acquired 39,704,600 ordinary shares in the Company through purchases for a total consideration of approximately S\$6,129,000. These shares buy-back are presented under treasury shares as a component within equity.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the reporting period. There are no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the reporting period.

There were no subsidiary holdings as at 31 December 2023 and 31 December 2022.



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## E Notes to the Condensed Interim Consolidated Financial Statements

### 17 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial year, on terms agreed between the parties, as shown below.

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
(a) Professional fees paid to a firm in which a director is a partner of the firm	25	10
(b) Sales to a related party	-	2
(c) Purchase of good/services from a related party	2,284	119
(d) Purchase of services from an associate	146	198
(e) Key management personnel compensation	2,172	2,109

### 18 Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period.

### 19 Subsequent events

There are no known subsequent events which have resulted in adjustments to this set of interim financial statements.



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## F Other Information Required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated statement of financial position of SHS Holdings Ltd and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Overview

For the six months ended 31 December 2023 (“2H2023”), the Group’s revenue dropped 6.7% to S\$43.2 million from S\$46.3 million and the Group’s net profit attributable to equity holders of the Company dropped to S\$0.34 million from S\$4.0 million a year ago.

For the full year ended 31 December 2023 (“FY2023”), the Group achieved a revenue of S\$82.2 million, a decrease of 5.8% from S\$87.2 million for FY2022. Net profit attributable to equity holders of the Company in FY2023 was S\$2.5 million as compared to a net profit of S\$5.1 million in FY2022.

As at 31 December 2023, the Group’s total equity attributable to shareholders stood at S\$136.6 million compared to S\$131.1 million as at 31 December 2022. At 31 December 2023, the Group has cash and bank balances of S\$48.0 million, maintaining a net cash position with low debt-to-total equity ratio of 34.4% (FY2022: 27%).

#### Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

##### Revenue

Segment	2H2023	2H2022	Change	FY2023	FY2022	Change
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
Engineering & Construction (EC)	13,333	32,693	(59.2)	33,134	60,348	(45.1)
Corrosion Prevention (CP)	8,275	6,535	26.6	16,680	16,368	1.9
Solar Energy (SE)	8,064	7,079	13.9	18,864	10,506	79.6
Trading of Commodities (TC)	13,526	-	N.M	13,526	-	N.M
<b>Total</b>	<b>43,198</b>	<b>46,307</b>	<b>(6.7)</b>	<b>82,204</b>	<b>87,222</b>	<b>(5.8)</b>

The Group’s revenue decreased by 6.7% to S\$43.2 million in 2H2023 as compared to 2H2022 and decreased by 5.8% to S\$82.2 million in FY2023 as compared to S\$87.2 million in FY2022.

This was mainly due to decrease in project revenue of EC segment in 2H2023. Despite this decline, there was a notable increase in revenue from CP and SE segment, driven by an upswing in both job orders from site and blasting jobs and more contracts secured from the solar EPC progressive projects during the 2nd half of the financial year. In addition, S\$13.5 million of revenue was contributed from the new TC segment during the second half of FY2023.



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## F Other Information Required by Listing Rule Appendix 7.2

### 2. Review of performance of the Group

#### Gross Profit and Gross Profit Margin (“GPM”)

Segment	2H2023	2H2022	Change	FY2023	FY2022	Change	FY2023	FY2022
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)	GPM (%)	GPM (%)
Engineering & Construction (EC)	3,737	6,296	(40.6)	7,719	10,474	(26.3)	23.3	17.4
Corrosion Prevention (CP)	357	3,130	(88.6)	2,152	6,786	(68.3)	12.9	41.5
Solar Energy (SE)	1,238	1,215	1.9	2,902	1,805	60.8	15.4	17.2
Trading of Commodities (TC)	161	-	N.M	161	-	N.M	1.2	N.M
<b>Total Gross Profit</b>	<b>5,493</b>	<b>10,641</b>	<b>(48.4)</b>	<b>12,934</b>	<b>19,065</b>	<b>(32.2)</b>	<b>15.7</b>	<b>21.9</b>

Overall, the Group’s gross profit decreased by 32.2% from S\$19.1 million in FY2022 to S\$12.9 million in FY2023, in line with the decrease in revenue contributed from the EC segments during the second half of the financial year. Although there was an increase in revenue for the CP segment, the significant decline in gross profit can be attributed to intensified competition and inflationary pressures, notably during the second half of the year. The challenges were particularly pronounced in this labor-intensive industry, contributing to the decrease in gross profits.

#### EC segment

Despite the decrease in gross profit contribution from the EC segment decreasing from S\$6.3 million in 2H2022 to S\$3.7 million in 2H2023, the completion of high value projects and effective cost control measures undertaken have resulted in an overall increase in gross profit margin for the segment from 17.4% in FY2022 to 23.3% in FY2023.

#### CP segment

CP segment recorded a decrease of 88.6% in gross profit from S\$3.1 million in 2H2022 to S\$357k in 2H23 mainly due to the more competitive pricing for the shipyard and increasing direct costs.

#### SE segment

For 2H2023, gross profit improved slightly from S\$1.22 million in 2H2022 to S\$1.24 million in 2H2023, which was driven by both EPC works being carried out and higher inverter sales during the period. The gross profit margin slightly decreased from 17.2% in FY2022 to 15.4% in FY2023.

#### Other Income

Other income increased by 6.3% year-on-year from S\$1.7 million in 2H2022 to S\$1.8 million in 2H2023. This is largely contributed by bank interest income earned from the fixed deposits placement with the local banks.



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### F Other Information Required by Listing Rule Appendix 7.2

#### 2. Review of performance of the Group

##### Selling, Distribution, Administrative and Other Operating Expenses (OPEX)

	2H2023	2H2022	Change	FY2023	FY2022	Change
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
Selling & Distribution	(465)	(206)	125.7	(673)	(414)	62.6
Administrative	(2,927)	(3,355)	(12.8)	(6,467)	(7,046)	(8.2)
Other OPEX	(2,316)	(3,509)	(34.0)	(4,536)	(6,785)	(33.1)
<b>Total OPEX</b>	<b>(5,708)</b>	<b>(7,070)</b>	<b>(19.3)</b>	<b>(11,676)</b>	<b>(14,245)</b>	<b>(18.0)</b>

Total OPEX in 2H2023 was 19.3% lower than the corresponding period in the previous year. Total OPEX decreased year-on-year from S\$14.2 million in FY2022 to S\$11.7 million in FY2023.

Selling and distribution expenses increased in 2H2023 caused by increase in travelling expense but offset against decreases in advertisement costs.

Administrative expenses dropped by 12.8% to S\$2.9 million in 2H2023 from S\$3.4 million in 2H2022. This decrease is primarily attributed to strategic cost-cutting measures implemented during the second half of the financial year.

Other operating expenses decreased significantly by 34% mainly due to lower rental of container office, depreciation of revalued property, plant and equipment and other indirect costs related to business activities.

Overall, selling, distribution, administrative and other operating expenses decreased by 18%, aligning with the strategic cost-cutting measures implemented during the second half of the financial year and with the overall decrease in revenue.

##### Finance costs

Finance costs increased to S\$643K in 2H2023, primarily driven by a substantial rise in the interest rate for the term loans and increased interest charges for trust receipts.

##### Share of loss of associate, net of tax

In 2H2023, the share of loss of associate was S\$237 as compared to a loss of S\$830,000 in FY2022. The decrease was due to lesser losses incurred by the associate as it was dormant in FY2023.



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## F Other Information Required by Listing Rule Appendix 7.2

### 2. Review of performance of the Group

#### Condensed Consolidated Statements of Financial Positions

Non-current assets increased by S\$2.7 million mainly due to revaluation gain on leasehold buildings. This was partially offset by depreciation for the property, plant and equipment and right-of-use assets. The decrease in non-current receivables was mainly due to the depreciation of USD for the reporting period ended 31 December 2023.

Current assets increased by S\$14.4 million from S\$100.4 million as at 31 December 2022 to S\$114.8 million as at 31 December 2023. This was largely attributed to:

- Increase in contract assets mainly due to increase in work progression for EC and SE segments at the end of the reporting period.
- Increase in trade receivables mainly due to increase in billings as of 31 December 2023 by EC and SE segments.
- Decrease in cash and bank balances mainly due to cash outflows for operating, investing and financing activities.
- Increase in other receivables mainly due to increase in advances to suppliers.

Current liabilities increased to S\$35.8 million as at 31 December 2023 from S\$27.6 million as at 31 December 2022. This was largely attributed to:

- Increase in trade payables and accruals of S\$1.5 million mainly due to lesser utilization of trade financing which is evident from the decrease in amounts due to bankers – trust receipts.
- Decrease in term loan and lease liabilities mainly due to repayments during the financial year.
- Increase in amounts due to bankers mainly due to increase in bills payable but was partially offset by repayment of trust receipts.
- Increase in contract liabilities mainly due to advance from customers for the Solar & TC segments. This had partially offset with the higher number of projects from EC being completed substantially at the end of the reporting period.

Non-current liabilities increased mainly due to reclassification of current portion of term loan as a wholly-owned subsidiary has successfully extended repayment terms for one of its term loans.

Total equity increased to S\$136.6 million as at 31 December 2023 from S\$131.4 million as at 31 December 2022. The increase was largely attributed to the profits contributed during the year and revaluation surplus on its leasehold properties. This had partially offset against the dividend payout S\$2.14 million.

#### Condensed Consolidated Statement of Cash Flows

During the reporting period, the Group recorded a net cash outflow of S\$23.6 million, principally due to: -

- a) Net cash used in operating activities amounting to S\$14.3 million mainly due to advances made to suppliers engaged in on-going projects.
- b) Net cash used in investing activities amounting to S\$1.6 million primarily driven by capital expenditure initiatives and pledged fixed deposits as collateral to secure banking facilities for a subsidiary.
- c) Net cash used in financing activities amounting to S\$7.7 million mainly for the dividend payout of \$2.14 million, the net repayments of trust receipts of S\$3.3 million and net repayments of term loan of S\$1.6 million.

After taking into account the above net cash flows and net foreign currency translation adjustments, the Group's cash and cash equivalents as at 31 December 2023 stood at S\$36.4 million.





## **SHS HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197502208Z)

### **F Other Information Required by Listing Rule Appendix 7.2**

#### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the half year ended 30 June 2023.

#### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The world economic outlook updated on 30 January 2024 by IMF published that the global growth is projected to stay at 3.1% in 2024 to rise to 3.2% in 2025, with the 2024 forecast 0.2 percentage point higher on account of greater-than-expected resilience in the United States and several large emerging market together with developing economies, as well as fiscal support in China.

In an article published on Feb 15, 2024 in The Straits Times, Singapore maintained its forecast for the economy to grow 1 per cent to 3 per cent in 2024, as it warned that downside risks to the global economy remain significant with the global economy still faces serious downside risks, including the Israel-Hamas conflict, the lagged effects of monetary tightening stressing regional economies with external funding needs, and idiosyncratic cost shocks that could weaken the economic recovery momentum.

For the E&C segment, the steel engineering business is progressing smoothly with its current portfolio of contracts. As we continue to fulfil our existing engineering steel contracts, our focus will gradually shift towards their successful completion. Simultaneously, we are exploring opportunities to expand our project portfolio by potentially undertaking additional assignments. Concurrently, we are strategically directing our efforts towards boosting orders for our Design Studio business over the next 12 months.

On the Solar Energy segment, our initiatives in rooftop solar projects and the distribution of solar panels, alongside their complementary peripherals, are poised for further enhancements. Anticipating increased demand, particularly in Singapore and Indonesia, we are capitalizing on the burgeoning growth within this sector, both domestically and globally. Singapore's wholesale electricity market has experienced prolonged periods of heightened price volatility, driving a surge in the adoption of solar systems as viable alternatives. While we remain vigilant in our approach, refraining from immediate commitments to new solar development projects, we are actively exploring potential opportunities to expand our portfolio.

For the CP segment, in light of the post-pandemic landscape and the confluence of rising costs along with the merger of our major customers, we will be adopting a prudent approach in our order management strategy. Given the challenges posed by the competitive pricing environment, we will exercise caution in accepting additional orders to ensure effective management and sustained profitability.

We carefully explored onto the trading of Aluminum raw material products to be able to participate in a vital sector that underpins various industries and economic activities worldwide, potentially involving renewables batteries.

In light of the prevailing global economic uncertainties, ongoing geopolitical shifts, and the persistent challenges stemming from rising costs amid the reopening of economies post-pandemic, the Group is committed to maintain a prudent approach in our operations. We will exercise caution and remain vigilant, prioritizing sound decision-making to navigate these complex and evolving conditions effectively. Furthermore, the heightened focus on global warming and the profound effects of climate change emphasizes the critical role of renewable energy and its associated products, such as renewable batteries, in fostering a more sustainable business model within the global energy framework.



# SHS HOLDINGS LTD.

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## F Other Information Required by Listing Rule Appendix 7.2

### 5. Dividend

#### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Proposed Final Dividend
Dividend Type	Cash
Dividend amount per share	S\$0.00284
Tax rate	Tax exempt, one -tier

#### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

S\$0.0035 for the financial year ended 31 December 2022.

#### (c) Date payable

The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be paid at a date to be announced later

#### (d) Record date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members to determine the shareholders' entitlement to the proposed final dividend

### 6. If no dividend has been declared/recommended, a Statement to that effect and the reason(s) for the decision.

N.A.

### 7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Tamaco Private Limited	100% owned by Teng Choon Kiat, a Director and Controlling shareholder of the company	S\$146,290	--
Synertech Group Co. Pte. Ltd.	Wholly-owned by Tidal New Energy Investment Pte. Ltd. which is a Controlling Shareholder of the Company.	S\$2,306,101	-
<b>Total</b>		<b>S\$2,452,391</b>	<b>--</b>

The Group did not obtain a general mandate from shareholders for IPTs.



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## F Other Information Required by Listing Rule Appendix 7.2

### 8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to note 2 Review of performance of the Group.

### 9. A breakdown of sales

	Full Year 2023 S\$'000	Full Year 2022 S\$'000	Changes %
Revenue reported for the first half year	39,006	40,915	-4.7%
Net profits reported for first half year	2,266	1,463	54.9%
Revenue reported for the second half year	43,198	46,307	-6.7%
Net profits reported for the second half year	496	4,571	-89.1%
Total revenue reported for the full year	82,204	87,222	-5.8%
Total net profit reported for the full year	2,762	5,634	-51.0%

### 10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary – Proposed Final Dividend	1,736	2,136

### 11. Disclosure of person occupying managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the SGX Listing Manual, the Company confirms that there is no person occupying managerial position in the Company who is a relative of a director, chief executive officer or substantial shareholder of the Company.

### 12. Undertaking from Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

## BY ORDER OF THE BOARD

NG HAN KOK, HENRY

Group CEO

29 February 2024