



GSS ENERGY LIMITED

RCB No: 201432529C

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR AND TWELVE MONTHS ENDED 31 DECEMBER 2021

1 (a) (i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

	2H2021 ¹ (S\$'000)	2H2020 ² (S\$'000)	Change in %	Group 12M2021 ³ (S\$'000)	12M2020 ⁴ (S\$'000)	Change in %
Revenue	58,739	63,421	(7.38)%	117,284	106,376	10.25%
Cost of Sales	<u>(49,333)</u>	<u>(53,741)</u>	(8.20)%	<u>(98,599)</u>	<u>(88,106)</u>	11.91%
Gross Profit	9,406	9,680	(2.83)%	18,685	18,270	2.27%
Other items of income						
Other income	811	2,541	(68.08)%	1,243	3,166	(60.74)%
Interest income	118	67	76.12%	174	100	74.00%
Other items of expenses						
Selling and distribution expenses	(4,624)	(4,871)	(5.07)%	(9,800)	(9,346)	4.86%
Administrative expenses	(2,027)	(1,824)	11.13%	(3,988)	(4,048)	(1.48)%
Other expenses	(17)	(836)	(97.97)%	(17)	(992)	(98.29)%
Profit from operations	<u>3,667</u>	<u>4,757</u>	(22.91)%	<u>6,297</u>	<u>7,150</u>	(11.93)%
Finance costs	(268)	(181)	48.07%	(466)	(307)	51.79%
Share of results of associate (net of tax)	<u>(10)</u>	<u>(5)</u>	100.00%	<u>(10)</u>	<u>(5)</u>	100.00%
Profit before income tax	3,389	4,571	(25.86)%	5,821	6,838	(14.87)%
Income tax expense	<u>(78)</u>	<u>(808)</u>	(90.95)%	<u>(772)</u>	<u>(1,624)</u>	(52.46)%
Profit for the financial period/year	<u>3,311</u>	<u>3,763</u>	(12.01)%	<u>5,049</u>	<u>5,214</u>	(3.16)%
Other comprehensive income:						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit pension scheme	(95)	(64)	48.44%	(95)	(64)	48.44%
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translation of foreign operations	<u>412</u>	<u>(394)</u>	NM	<u>1,353</u>	<u>747</u>	81.12%
Other comprehensive income for the financial period/year, net of tax	<u>317</u>	<u>(458)</u>	NM	<u>1,258</u>	<u>683</u>	84.19%
Total comprehensive income for the financial period/year	<u>3,628</u>	<u>3,305</u>	9.77%	<u>6,307</u>	<u>5,897</u>	6.95%
Profit attributable to:						
Owners of the parent	3,367	3,950	(14.76)%	5,166	5,592	(7.62)%
Non-controlling interests	(56)	(187)	(70.05)%	(117)	(378)	(69.05)%
	<u>3,311</u>	<u>3,763</u>	(12.01)%	<u>5,049</u>	<u>5,214</u>	(3.16)%
Total comprehensive income attributable to:						
Owners of the parent	3,669	3,470	5.73%	6,411	6,276	2.15%
Non-controlling interests	(41)	(165)	(75.15)%	(104)	(379)	(72.56)%
	<u>3,628</u>	<u>3,305</u>	9.77%	<u>6,307</u>	<u>5,897</u>	6.95%

1 (a) (ii) Other information

	2H2021 ¹ (S\$'000)	2H2020 ² (S\$'000)	Change in %	Group 12M2021 ³ (S\$'000)	12M2020 ⁴ (S\$'000)	Change in %
Interest Income	118	67	76.12%	174	100	74.00%
Finance costs	(268)	(181)	48.07%	(466)	(307)	51.79%
Amortisation of intangible assets	(3)	(8)	(62.50)%	(5)	(18)	(72.22)%
Amortisation of land use rights	(29)	(28)	3.57%	(56)	(55)	1.82%
Amortisation of right-of-use assets	(868)	(647)	34.16%	(1,529)	(1,297)	17.89%
Inventories written off	(51)	(45)	13.33%	(51)	(45)	13.33%
Depreciation of property, plant and equipment	(1,278)	(1,280)	(0.16)%	(2,617)	(2,490)	5.10%
Foreign exchange loss, net	(72)	(836)	(91.39)%	(17)	(992)	(98.29)%
Gain on disposal of property, plant and equipment	444	-	NM	459	8	>100.00%
Government incentive	102	457	(77.68)%	408	1,039	(60.73)%
Share option expenses	-	-	NM	-	(116)	(100.00)%

Notes

¹ "2H2021": Period from 1 Jul 2021 to 31 Dec 2021

² "2H2020": Period from 1 Jul 2020 to 31 Dec 2020

³ "12M2021": Period from 1 Jan 2021 to 31 Dec 2021

⁴ "12M2020": Period from 1 Jan 2020 to 31 Dec 2020

⁵ "NM": Not Meaningful

1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Condensed Interim Statements of Financial Position

	Group As at			Company As at		
	31.12.2021 S\$ '000	31.12.2020 S\$ '000	Change in %	31.12.2021 S\$ '000	31.12.2020 S\$ '000	Change in %
ASSETS						
Non-current assets						
Property, plant and equipment	23,485	24,564	(4.39)%	3	-	NM
Intangible assets	8	13	(38.46)%	-	-	NM
Land use rights	1,382	1,373	0.66%	-	-	NM
Right-of-use assets	5,733	1,658	>100.00%	-	-	NM
Investment in subsidiaries	-	-	NM	16,263	16,263	0.00%
Investment in an associate	2,753	2,763	(0.36)%	2,791	2,791	0.00%
Goodwill	112	112	0.00%	-	-	NM
Deferred tax assets	37	37	0.00%	-	-	NM
Due from an associate	9,862	9,392	5.00%	9,862	9,392	5.00%
Due from a subsidiary	-	-	NM	-	5	(100.00)%
	<u>43,372</u>	<u>39,912</u>	8.67%	<u>28,919</u>	<u>28,451</u>	1.64%
Current assets						
Inventories	33,907	14,648	>100.00%	-	-	NM
Trade receivables	26,535	37,969	(30.11)%	-	-	NM
Other receivables and deposits	6,543	3,073	>100.00%	4	7	(42.86)%
Prepayment	236	199	18.59%	10	11	(9.09)%
Due from a subsidiary	-	-	NM	2,408	-	NM
Amount due from a related party	282	282	0.00%	-	-	NM
Short-term investments	-	608	(100.00)%	-	-	NM
Cash and cash equivalents	15,737	7,064	>100.00%	768	6	>100.00%
	<u>83,240</u>	<u>63,843</u>	30.38%	<u>3,190</u>	<u>24</u>	>100.00%
Total assets	<u>126,612</u>	<u>103,755</u>	22.03%	<u>32,109</u>	<u>28,475</u>	12.76%
EQUITY AND LIABILITIES						
Current liabilities						
Trade payables	26,407	20,681	27.69%	-	-	NM
Other payables and accruals	8,544	9,373	(8.84)%	241	260	(7.31)%
Due to a subsidiary	-	-	NM	405	828	(51.09)%
Current income tax payable	871	1,163	(25.11)%	-	-	NM
Lease liabilities	1,487	1,133	31.24%	-	-	NM
Loan and borrowings	14,524	8,807	64.91%	-	-	NM
	<u>51,833</u>	<u>41,157</u>	25.94%	<u>646</u>	<u>1,088</u>	(40.63)%
Net current assets/(liabilities)	<u>31,407</u>	<u>22,686</u>	38.44%	<u>2,544</u>	<u>(1,064)</u>	NM
Non-current liabilities						
Lease liabilities	3,638	617	>100.00%	-	-	NM
Other payables	445	1,658	(73.16)%	-	-	NM
Loan and borrowings	3,970	4,382	(9.40)%	-	-	NM
Retirement benefit obligations	1,493	1,840	(18.86)%	-	-	NM
Deferred tax liability	108	108	0.00%	-	-	NM
	<u>9,654</u>	<u>8,605</u>	12.19%	<u>-</u>	<u>-</u>	NM
Total liabilities	<u>61,487</u>	<u>49,762</u>	23.56%	<u>646</u>	<u>1,088</u>	(40.63)%
Net assets	<u>65,125</u>	<u>53,993</u>	20.62%	<u>31,463</u>	<u>27,387</u>	14.88%
Equity attributable to owners of the parent						
Share capital	63,416	58,591	8.24%	63,416	58,591	8.24%
Accumulated losses	(3,360)	(8,310)	(59.57)%	(35,677)	(34,928)	2.14%
Other reserves	6,291	4,830	30.25%	3,724	3,724	0.00%
	<u>66,347</u>	<u>55,111</u>	20.39%	<u>31,463</u>	<u>27,387</u>	14.88%
Non-controlling interests	<u>(1,222)</u>	<u>(1,118)</u>	9.30%	<u>-</u>	<u>-</u>	NM
Total equity	<u>65,125</u>	<u>53,993</u>	20.62%	<u>31,463</u>	<u>27,387</u>	14.88%
Total equity and liabilities	<u>126,612</u>	<u>103,755</u>	22.03%	<u>32,109</u>	<u>28,475</u>	12.76%

1 (b) (ii) Aggregate amount of group's borrowing and debt securities

Amount repayable in one year or less, or on demand

As at 31.12.2021		As at 31.12.2020	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	14,524	-	8,807

Amount repayable after one year

As at 31.12.2021		As at 31.12.2020	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	3,970	-	4,382

Note:

Details of any collateral

(i) The short-term bank loan and invoice financing of subsidiaries are secured by corporate guarantee of the Company.

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

Condensed Interim consolidated statement of cash flows

	Group			
	2H2021 ¹ (S\$'000)	2H2020 ² (S\$'000)	12M2021 ¹ (S\$'000)	12M2020 ¹ (S\$'000)
Operating activities				
Profit before income tax	3,389	4,571	5,821	6,838
Adjustments for:				
Inventories written off	51	45	51	45
Amortisation of intangible assets	3	8	5	18
Amortisation of land use rights	29	28	56	55
Amortisation of right-of-use assets	868	647	1,529	1,297
Depreciation of property, plant and equipment	1,278	1,280	2,617	2,490
Finance costs	268	181	466	307
Gain on disposal of property, plant and equipment	(444)	-	(459)	(8)
Property, plant and equipment written off	-	45	-	45
Unrealised exchange difference	(71)	427	(71)	427
Finance income	(118)	(67)	(174)	(100)
Share of loss of associate	10	5	10	5
Share option expenses	-	-	-	116
Operating cash flows before working capital changes	5,263	7,170	9,851	11,535
Working capital changes				
Inventories	(10,880)	(593)	(18,819)	(3,364)
Trade receivables	8,053	(13,677)	11,770	(15,506)
Other receivables and deposits	(3,079)	(1,727)	(3,180)	(1,513)
Prepayments	19	42	(36)	98
Due from a related party	-	32	-	(66)
Due from an associate	(470)	-	(470)	-
Trade payables	4,400	1,416	5,244	6,578
Other payables and accruals	(943)	992	(3,156)	1,289
Provisions for retirement benefit obligations	-	11	-	11
Cash generated/(used in) from operations	2,363	(6,334)	1,204	(938)
Interest received	118	67	174	100
Interest paid	(171)	(147)	(342)	(240)
Income tax paid	(575)	(160)	(1,058)	(578)
Net cash generated/(used in) from operating activities	1,735	(6,574)	(22)	(1,656)
Investing activities				
Purchase of property, plant and equipment	(492)	(930)	(865)	(5,858)
Proceeds from disposal of property, plant and equipment	450	-	471	8
Purchase of short-term investments	(9,478)	(2,414)	(14,435)	(6,168)
Proceed from disposal of short-term investments	11,971	3,996	15,059	6,565
Net cash generated from/(used in) investing activities	2,451	652	230	(5,453)
Financing activities				
Decrease in bank deposit pledged	-	-	-	337
Proceeds from bank loans	38,032	25,031	65,802	37,229
Proceeds from issue of share capital	4,825	-	4,825	69
Repayment of obligations under leases liabilities	(1,052)	(710)	(1,686)	(1,405)
Repayment of bank loans	(36,700)	(19,217)	(60,747)	(29,436)
Net cash generated from financing activities	5,105	5,104	8,194	6,794
<i>Net increase/(decrease) in cash and cash equivalents</i>	<i>9,291</i>	<i>(818)</i>	<i>8,402</i>	<i>(315)</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>97</i>	<i>(81)</i>	<i>271</i>	<i>128</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>6,349</i>	<i>7,963</i>	<i>7,064</i>	<i>7,251</i>
Cash and cash equivalents at end of the period	15,737	7,064	15,737	7,064

Notes

¹ "2H2021": Period from 1 Jul 2021 to 31 Dec 2021

² "2H2020": Period from 1 Jul 2020 to 31 Dec 2020

³ "12M2021": Period from 1 Jan 2021 to 31 Dec 2021

⁴ "12M2020": Period from 1 Jan 2020 to 31 Dec 2020

- 1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Statements of Changes in Equity

	Share capital	Statutory reserve fund	Foreign currency translation reserves	Share options reserves	Accumulated losses	Equity Non-controlling interests	Total attributable to owners of the parent	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group									
Balance at 1 January 2021	58,591	1,352	(378)	3,724	(8,310)	132	55,111	(1,118)	53,993
Net profit/(loss) for the financial year	-	-	-	-	5,166	-	5,166	(117)	5,049
Other comprehensive income for the financial year									
Remeasurement of defined benefit scheme	-	-	-	-	(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	-	-	1,340	-	5,071	-	6,411	(104)	6,307
Total transactions with owners, recognised directly in equity									
Issue of ordinary shares	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	1,473	962	3,724	(3,360)	132	66,347	(1,222)	65,125
Balance at 1 January 2020	58,522	1,282	(1,126)	3,608	(13,768)	132	48,650	(739)	47,911
Net profit/(loss) for the financial year	-	-	-	-	5,592	-	5,592	(378)	5,214
Other comprehensive income for the financial year									
Remeasurement of defined benefit scheme	-	-	-	-	(64)	-	(64)	-	(64)
Exchange differences arising from translation of foreign operations	-	-	748	-	-	-	748	(1)	747
Total comprehensive income for the financial year	-	-	748	-	5,528	-	6,276	(379)	5,897
Total transactions with owners, recognised directly in equity									
Issuance of share capital	69	-	-	-	-	-	69	-	69
Share option expenses	-	-	-	116	-	-	116	-	116
Transfer to statutory reserve	-	70	-	-	(70)	-	-	-	-
	69	70	-	116	(70)	-	185	-	185
Balance at 31 December 2020	58,591	1,352	(378)	3,724	(8,310)	132	55,111	(1,118)	53,993

Condensed Interim Statement of Changes in Equity for the financial year ended 31 December 2021 (cont'd)

	Share capital	Share option reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
The Company				
Balance at 1 January 2021	58,591	3,724	(34,928)	27,387
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(749)	(749)
Issuance of share capital	4,825	-	-	4,825
Balance at 31 December 2021	63,416	3,724	(35,677)	31,463
Balance at 1 January 2020	58,522	3,608	(33,783)	28,347
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(1,145)	(1,145)
Issuance of share capital	69	-	-	69
Share option expenses	-	116	-	116
Balance at 31 December 2020	58,591	3,724	(34,928)	27,387

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

GSS Energy Limited (the "Company" or "GSS") is a public company limited by shares incorporated and domiciled in Singapore. The Company has been listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") since 12 February 2015. The Company's registration number is 201432529C. Its registered office is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and its principal place of business is at the Blk 4012 Ang Mo Kio Ave 10, #05-01 Techplace 1, Singapore 569628.

The principal activities of the Group are:

- (a) manufacture and sale of microshafts and other precision parts;
- (b) assembly of mechanisms used in computers and a range of electronic products;
- (c) sale and distribution of consumer electronics and other products;
- (d) manufacture and distribution of motor bike;
- (e) investment in electronic vehicles ("EV") sector, market and promote EV total solution including providing advisory or solution on manufacture and assemble electric bikes, swapping and charging stations and software development; and
- (f) investing in oil and gas exploration through associated company.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2021 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. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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 2.1.

2.1 New and amended standards adopted by the Group

On 1 January 2021, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in material changes to the Group's accounting policies and had no a material effect on the amounts reported for the current financial period.

2.2 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 2020.

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.

(a) Impairment assessment of investment in an associate

The principal activities of the Group's and the Company's investment in an associate is in the exploration of oil and gas. The impairment assessment of the investment in the associate depends on the validity of the exploration permits, the progress of the exploration project including but not limited to the future plans for the evaluation and exploration project. During the financial year, management carried out an impairment assessment on investment in an associate and concluded that there is no impairment loss as at 31 December 2021.

(b) 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 three-stage impairment model. 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 progress of the exploration project, the Group and the Company assessed the amount of allowance to be recognised based on either 12-month expected credit loss or lifetime expected credit loss, to be recognised in future periods and concluded that there was no significant increase in credit risk as at 31 December 2021.

(c) 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. 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.

(d) 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.

(e) 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 customer in financial difficulties separately (credit-impaired).

3. Seasonal operations

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

4. Segment and revenue information

The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer ("CEO") and Group's Chief Financial Officer ("CFO") review internal management reports at least on a half yearly basis.

The Group has two reportable segments, being Mechanisms and Microshafts.

Notes to the Condensed Interim Consolidated Financial Statements

4.1 Reportable segments

	Mechanisms S\$'000	Microshafts S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
2H2021					
Revenue					
External customers	46,748	11,991	-	-	58,739
Intersegment revenues	9,942	985	-	(10,927)	-
Total revenue	56,690	12,976	-	(10,927)	58,739
Results					
Operating profit/(loss)	3,571	1,282	(325)	(979)	3,549
Interest income					118
Interest expense					(268)
Income tax expenses					(78)
Non-controlling interests					56
Share of losses of associate					(10)
Net profit/(loss)					<u>3,367</u>
Other segment information					
Capital expenditure	(460)	(128)	(3)	-	(591)
Depreciation and amortisation	(1,533)	(645)	-	-	(2,178)
Inventories written off	-	(51)	-	-	(51)
Net foreign exchange loss	(81)	9	-	-	(72)

	Mechanisms S\$'000	Microshafts S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
2H2020					
Revenue					
External customers	54,482	8,939	-	-	63,421
Intersegment revenues	12,314	769	-	(13,083)	-
Total revenue	66,796	9,708	-	(13,083)	63,421
Results					
Operating profit/(loss)	4,762	315	(387)	-	4,690
Interest income					67
Interest expense					(181)
Income tax expenses					(808)
Non-controlling interests					187
Share of losses of associate					(5)
Net profit/(loss)					<u>3,950</u>
Other segment information					
Capital expenditure	(732)	(198)	-	-	(930)
Depreciation and amortisation	(1,429)	(534)	-	-	(1,963)
Inventories written off	-	(45)	-	-	(45)
Net foreign exchange loss	(692)	(26)	(118)	-	(836)

Notes to the Condensed Interim Consolidated Financial Statements

4.1 Reportable segments (cont'd)

	Mechanisms S\$'000	Microshafts S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
12M2021					
Revenue					
External customers	93,714	23,570	-	-	117,284
Intersegment revenues	21,377	1,946	-	(23,323)	-
Total revenue	115,091	25,516	-	(23,323)	117,284

Results

Operating profit/(loss)	5,767	2,082	(747)	(979)	6,123
Interest income					174
Interest expense					(466)
Income tax expenses					(772)
Non-controlling interests					117
Share of losses of associate					(10)
Net profit/(loss)					<u>5,166</u>

Other segment information

Capital expenditure	(2,563)	(205)	(3)	-	(2,771)
Depreciation and amortisation	(2,963)	(1,244)	-	-	(4,207)
Inventories written off	-	(51)	-	-	(51)
Net foreign exchange loss	21	(38)	-	-	(17)

31.12.2021

Segment assets and liabilities

Segment assets	86,833	26,378	13,401	-	126,612
Segment liabilities	53,437	7,808	242	-	61,487

	Mechanisms S\$'000	Microshafts S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
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12M2020

Revenue

External customers	87,832	18,544	-	-	106,376
Intersegment revenues	20,316	1,356	-	(21,672)	-
Total revenue	108,148	19,900	-	(21,672)	106,376

Results

Operating profit/(loss)	6,404	1,726	(1,080)	-	7,050
Interest income					100
Interest expense					(307)
Income tax expenses					(1,624)
Non-controlling interests					378
Share of losses of associate					(5)
Net profit/(loss)					<u>5,592</u>

Other segment information

Capital expenditure	(15,324)	(366)			(15,690)
Depreciation and amortisation	(2,591)	(1,269)			(3,860)
Inventories written off	-	(45)			(45)
Net foreign exchange loss	(981)	(2)			(983)

31.12.2020

Segment assets and liabilities

Segment assets	68,048	23,528	12,179	-	103,755
Segment liabilities	43,136	6,366	260	-	49,762

Geographical Segments

	Non-current assets		Group expenditure	
	31.12.2021 S\$'000	31.12.2020 S\$'000	31.12.2021 S\$'000	31.12.2020 S\$'000
Singapore	14,995	13,261	1,914	128
Indonesia	20,965	18,426	678	15,324
China	7,163	7,796	179	238
Other Countries	249	429	-	-
	43,372	39,912	2,771	15,690

Notes to the Condensed Interim Consolidated Financial Statements

4.2 Disaggregation of revenue

Set out below is an overview of the revenue of the Group for the six months and full year ended 31 December 2021:

Segments	Mechanisms		Microshafts		Total	
	2H2021 S\$'000	2H2020 S\$'000	2H2021 S\$'000	2H2020 S\$'000	2H2021 S\$'000	2H2020 S\$'000
<u>Primary geographical markets</u>						
Singapore	6,483	5,863	828	280	7,311	6,143
Indonesia	37,806	42,765	548	269	38,354	43,034
Germany	3	10	801	705	804	715
China	1,702	4,369	5,631	3,970	7,333	8,339
Thailand	-	1	225	529	225	530
Malaysia	2	29	655	600	657	629
Japan	485	-	72	174	557	174
Others	267	1,445	3,231	2,412	3,498	3,857
	46,748	54,482	11,991	8,939	58,739	63,421
<u>Type of good or services</u>						
Sale of goods	42,792	50,467	11,991	8,939	54,783	59,406
Services rendered	3,956	4,015	-	-	3,956	4,015
	46,748	54,482	11,991	8,939	58,739	63,421
<u>Timing of transfer of goods and services</u>						
Point in time	46,748	54,482	11,991	8,939	58,739	63,421

	Mechanisms		Microshafts		Total	
	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
<u>Primary geographical markets</u>						
Singapore	12,769	11,126	1,314	915	14,083	12,041
Indonesia	74,123	66,053	1,036	570	75,159	66,623
Germany	17	39	1,780	1,362	1,797	1,401
China	5,345	6,429	9,334	7,327	14,679	13,756
Thailand	-	1	746	1,346	746	1,347
Malaysia	19	90	1,126	956	1,145	1,046
Japan	886	-	228	352	1,114	352
Others	555	4,094	8,006	5,716	8,561	9,810
	93,714	87,832	23,570	18,544	117,284	106,376
<u>Type of good or services</u>						
Sale of goods	85,567	79,124	23,570	18,544	109,137	97,668
Services rendered	8,147	8,708	-	-	8,147	8,708
	93,714	87,832	23,570	18,544	117,284	106,376
<u>Timing of transfer of goods and services</u>						
Point in time	93,714	87,832	23,570	18,544	117,284	106,376

Notes to the Condensed Interim Consolidated Financial Statements

5. Financial assets and financial liabilities

An overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020 is set out below:

	Group		Company	
	31.12.2021 S\$'000	31.12.2020 S\$'000	31.12.2021 S\$'000	31.12.2020 S\$'000
Financial assets				
Financial assets measured at amortised cost	55,376	55,157	13,038	9,406
Short-term Investments	-	608	-	-
	<u>55,376</u>	<u>55,765</u>	<u>13,038</u>	<u>9,406</u>
Financial liabilities				
Financial liabilities measured a amortised cost	59,679	46,583	646	1,088

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).

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
31.12.2021				
Short-term investments	-	-	-	-
31.12.2020				
Short-term investments	-	608	-	608

6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	2H2021 S\$'000	2H2020 S\$'000	12M2021 S\$'000	12M2020 S\$'000
Taxation charge for the financial period comprises;				
Current income tax				
-current financial year	199	311	866	1,127
-(over)/under provision in respect of prior financial years	(121)	389	(94)	389
Deferred income tax expense relating to origination and reversal of temporary differences	-	108	-	108
	<u>78</u>	<u>808</u>	<u>772</u>	<u>1,624</u>

7. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to S\$492,000 (2H2020: S\$930,000) and disposed/write off of assets with net book value amounting to S\$6,000 (2H2020: Nil).

During the year ended 31 December 2021, the Group acquired assets amounting to S\$865,000 (12M2020: S\$5,858,000) and disposed/write off of assets with net book value amounting to S\$12,000 (12M2020: S\$46,000).

8 Share Capital

	Group and Company			
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Number of ordinary shares			
	'000	'000	S\$'000	S\$'000
Issued and paid-up:				
At the beginning of interim period	496,859	496,159	58,591	58,522
-Issue of ordinary shares	83,333	-	4,825	-
-Exercise of share options	-	700	-	69
At the end of interim period	<u>580,192</u>	<u>496,859</u>	<u>63,416</u>	<u>58,591</u>

There were also no treasury shares or subsidiary holdings as at 31 December 2021 and 31 December 2020.

9 Subsequent events

With respect to the associate, P.T. Sarana GSS Trembul ("PTSGT"), the oil and gas concession for PTSGT is subject to extension by February 2022. PTSGT has been required by PT Pertamina to, among others, submit a banker guarantee by 18 February 2022, failing which PT Pertamina has reserved the right to terminate the concession. PTSGT has, among others, submitted the required banker's guarantee on 24 February 2022 to secure an extension to February 2024. Neither notice of termination nor formal approval has been received from PT Pertamina as at date of this announcement.

Separately, as announced on 19 November 2021, the Company is undertaking a proposed acquisition of Edison Motors Co., Ltd for a consideration comprising cash and shares in the capital of the Company. Currently, the acquisition transaction has not yet been completed.

Other Information Required Under Listing Rule Appendix 7C

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy backs, exercise of share options or warrants, conversion of other issue of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During 2H2021, the Company issued additional 83,333,300 ordinary shares pursuant to a placement for an aggregate gross consideration of S\$4,999,998 on 6 September 2021.

Share options

The GSS Energy Limited Executives' Share Option Scheme (the "GEL Scheme") and GSS Energy Limited 2018 Executives' Share Option Scheme (the "GEL 2018 Scheme") were approved by the shareholders at the annual general meeting on 22 April 2016 and 23 April 2018, respectively. During 2H2021, no share options (2H2020: Nil) were granted or exercised under the GEL Scheme and GEL 2018 Scheme. As at 31 December 2021, the number of shares that may be issued on conversion of all the outstanding share options was 25,323,000 (31 December 2020: 27,423,000) which represented approximately 4.36% (31 December 2020: 5.52%) of the total issued shares excluding treasury shares and subsidiary holdings.

The movement of share options of the Company during the financial period 2H2021 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.07.2021	Number of options			Balance as at 31.12.2021	Balance as at 31.12.2020	Exercise period
			Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period			
27.02.2017	S\$0.09856	10,200,000	-	-	-	10,200,000	10,200,000	28.02.2019 to 27.02.2022
23.02.2018	S\$0.12512	-	-	-	-	-	1,150,000	23.02.2020 to 22.02.2021
23.02.2018	S\$0.12512	16,073,000	-	-	(950,000)	15,123,000	16,073,000	23.02.2020 to 22.02.2023
Total		<u>26,273,000</u>	-	-	<u>(950,000)</u>	<u>25,323,000</u>	<u>27,423,000</u>	

Save as disclosed above, there were no other outstanding options and convertibles as at 31 December 2021 and 31 December 2020.

There were also no treasury shares or subsidiary holdings as at 31 December 2021 and 31 December 2020.

- 1 (d) (iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	Company	
	31 Dec 2021	31 Dec 2020
Total number of issued shares (excluding treasury shares)	580,191,957	496,858,657

- 1 (d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares during and as at the current financial period reported on.

- 1 (d) (v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of subsidiary holdings during and as at the current financial period reported on.

- 2 Whether are the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagement to review Financial Statement), or an equivalent standard.

The figures have not been audited or reviewed by the external auditors of the Company.

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

Not applicable.

- 3 A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) updates on the efforts taken to resolve each outstanding audit issue.

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

Not applicable.

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

Refer to Note 2 (Basis of Preparation) of the condensed interim consolidated financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.

Refer to Note 2 (Basis of Preparation) of the condensed interim consolidated financial statements

6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	2H2021 S'pore cents	2H2020 S'pore cents	12M2021 S'pore cents	12M2020 S'pore cents
Earnings per ordinary share for the period:				
a) Based on weighted average number of shares in issue	0.61	0.79	0.99	1.13
Weighted average number of ordinary shares	549,681,951	496,858,657	523,342,665	496,858,657
b) On a fully diluted basis	0.61	0.79	0.99	1.13
Adjusted weighted average number of ordinary shares	549,681,951	496,858,657	523,342,665	496,858,657

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the :-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 December 2021 S'pore cents	31 December 2020 S'pore cents	31 December 2021 S'pore cents	31 December 2020 S'pore cents
Net assets value per ordinary share (S'pore cents)	11.22	11.09	5.42	5.51
Net tangible assets value per ordinary share (S'pore cents)	10.97	10.46	5.42	5.51

Item 7: The net assets/net tangible assets value per share for the period ended 31 December 2021 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 580,191,957 ordinary shares (31 December 2020: 496,858,657 ordinary shares).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

General

(i) The Group is engaged largely in the precision engineering business ("PE"), involving the supply of mechanisms, microshafts and other related precision engineering products, and the remaining interest in oil and gas services

Consolidated Income Statement

- (ii) The turnover for 12M2021 was S\$117.28 million. This was entirely contributed by the PE business and edged up to 10.25% albeit with a marginal drop in 2H2021, compared to 1H2021. The increase was driven by increasing demand for consumer electronic products in the Group's customers end markets.
- (iii) The Group achieved a gross margin of 15.93% for 12M2021 as compared to 17.17% for 12M2020. Electronic components supply chain market capacity shrank significantly when the COVID-19 pandemic hit. Most of the component suppliers were not able to produce at full capacity. In addition to that the demand was also driven by booming industries in consumer electronics, chip-heavy vehicles and semiconductor across the globe. As a result, the cost of electronic components increased. The cost associated with stock management also increased as inventory turnaround time became longer.
- (iv) The Group recorded other income of S\$1.24 million in 12M2021 as compared to S\$3.17 million in 12M2020, due to the reduction in grant assistance provided by Singapore authorities during the COVID-19 pandemic, and a one-off cost recovery from customer following cessation of the a contracted manufacturing project in 2020. During 2H2021, the Group recognised a gain on disposal of property, plant of equipment at S\$0.45 million arising from a disposal of property by its wholly-owned subsidiary in China.
- (v) Total selling and distribution expenses, and administration expenses for 12M2021 was S\$13.79 million as compared to S\$13.39 million for 12M2020. The management of the Group continues to manage operating costs in a
- (vi) The other expenses included a net foreign exchange loss of S\$0.02 million for 12M2021, compared to S\$0.99 million for 12M2020. This is mainly due to a more stable United States Dollars exchange rate against Indonesia Rupiah and Singapore Dollars.
- (vii) Finance costs for 12M2021 was S\$0.47 million, compared to S\$0.31 million in 12M2020. This consists of S\$0.12 million on lease liabilities arising from right-of-use assets and S\$0.36 million relating to loan and borrowings.
- (viii) Interest income for 12M2021 was S\$0.17 million, compared to S\$0.10 million in 12M2020. The increase in interest income was in line with higher amount placed in the short-term financial assets.
- (ix) Income tax expenses recorded as S\$0.77 million for 12M2021, compared to S\$1.62 million in 12M2020. The decrease was due to over provision of taxation in the prior year that was offset with tax provision for the current year.
- (x) Inventory obsolescence allowance was recognized at S\$0.05 million as those inventories has no more realizable value.

Consolidated Statement of Financial Position

- (xi) Property, plant and equipment as at 31 December 2021 was S\$23.49 million. This was a decrease of S\$1.07 million from 31 December 2020 which included S\$0.87 million for acquisition of machineries and equipment to cope with customers' increased orders and to replace aged machines used in production, and partially offset by depreciation for the year.
- (xii) Intangible assets comprises computer software. The decrease was due to amortisation for the year.
- (xiii) Right-of-use assets as at 31 December 2021 amounted to S\$5.73 million, an increase of S\$4.07 million from 31 December 2020. The increase arose from new leases signed upon expiration of leasing terms at existing business operating offices and factories, and purchase of new machinery under Hire-Purchase financing. Correspondingly, lease liabilities (both current and noncurrent) arising from the right-of-use assets with a net carrying value amount of S\$5.12 million was recognised as at 31 December 2021. The group recorded amortisation of right-of-use assets as S\$1.53 million for 12M2021, compared to S\$1.30 million in 12M2020. The increase was due to expenses in connection with using of machinery under Hire-Purchase financing.
- (xiv) The Group's investment in an associate engaged in O&G business has remain unchanged since the farm-out was concluded in 2019. The investee company is working toward gas monetisation of oil and gas from Trembul production field, Indonesia. We understand our partner is seeking regulatory approval for extension of exploration period. During the period ended 31 December 2021, The Company has extended a loan amounting to S\$0.47 million as an efforts to speed up monetisation process.
- (xv) Inventories as at 31 December 2021 was S\$33.91 million, an increase of S\$19.26 million from 31 December 2020. The increase was driven by higher sales forecast received from existing customer, longer procurement lead time caused by shipping container shortage, and higher demands in electronic components across the globe.
- (xvi) Trade receivables as at 31 December 2021 was S\$26.54 million, a decrease of S\$11.43 million from 31 December 2020. The Group negotiated with existing customers to settle outstanding trade payment more quickly so as to allow the Group to procure electronic components used in the customers products amidst the challenge faced in components sourcing. As a result, it increased the Group bank balances at year ended 2021.
- (xvii) Other receivables and deposits at 31 December 2021 was S\$6.53 million. This was an increase of S\$3.46 million from 31 December 2020, mainly attributable to upfront payment for tooling purchase associated with consumer electronic products and electric vehicle development. There were also advances paid to vendors for materials to be received subsequently.
- (xviii) Prepayment as at 31 December 2021 was S\$0.24 million. This is an increase of S\$0.04 million from 31 December 2020, due mainly to additional prepaid expenses made for operational purposes during 12M2021.
- (xix) The Group has withdrawn all short-term investments before the year ended 2021. The proceeds from the investments will be applied towards the working capital to the Group.
- (xx) Trade payables as at 31 December 2021 was S\$26.41 million, an increase of S\$5.73 million due to higher purchase of electronic components in 2H2021. The outstanding payables are normally settled on credit terms of between 30 to 90 days.
- (xxi) Other payables and accruals as at 31 December 2021 was S\$8.99 million. This was a decrease of S\$2.04 million from 31 December 2020 mainly attributable to instalment paid for land and construction of new factory at Batam, Indonesia.
- (xxii) Loan and borrowings as at 31 December 2021 was S\$18.49 million, an increase of S\$5.31 million from 31 December 2020 due to higher working capital requirements for inventory stockpiling to meet customers' forecasted orders. These borrowings mainly include invoice financing to bridge the gap between revenues and cash flow. The tenure of the financing spans from weeks to months. The drawdown was applied towards stockpiling of electronic components to meet customers' forecasted increased sales orders.
- (xxiii) Income tax payable as at 31 December 2021 was S\$1.49 million. This was a decrease of S\$0.38 million from 31 December 2020 due to overprovision in the prior year and a lower profitability recorded for the Group in 12M2021.
- (xxiv) The net assets of the Group as at 31 December 2021 was S\$65.13 million. Net assets per share as at 31 December 2021 was S\$0.1122.

Consolidated Statement of Cash Flows

- 8 (xxv) The Group incurred a net operating cash outflow of S\$0.02 million during 12M2021 due to the need to maintain a higher level of inventory for inputs and materials to meet increased orders from customers.
- (xxvi) Net cash generated from investing activities during the year was S\$0.23 million. This includes S\$0.47 million from disposal of one unit of residential property owned by a wholly-owned subsidiary company in China, S\$0.62 million from short-term investments and partially offset by acquiring machines and equipment for S\$0.87 million.
- (xxvii) Net cash generated from financing activities during the year was S\$8.19 million. This consists of S\$65.80 million proceeds from bank borrowings, and offset by S\$1.69 million for repayment of obligations under lease liabilities arising from right-of use assets and S\$60.75 million for repayment of bank borrowings. During the year, the Company issued additional 83,333,300 new ordinary shares pursuant to share placement. Approximately S\$4.83 million has been received as net proceeds.
- (xxviii) Net cash and cash equivalents as at 31 December 2021 stood at S\$15.74 million, an increase of S\$8.68 million from 31 December 2020.

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

The Group did not make any forecast or prospect statement for the current period to shareholders.

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

The Group continues to operate in the PE and O&G sectors.

In November 2021, the Company's wholly owned subsidiary company, Giken Mobility Pte. Ltd. participated in 2021 Esposizione Internazionale Delle Due Rote, also known as the Milan International Two-Wheel Exhibition in Italy unveiling 2-wheeler electric vehicles ("EV") that the company intends to launch in 2022. The Group is now preparing for mass production at the Group's production facility at Batam, Indonesia and getting regulatory permits and homologation in targeted territories. On 22 February 2022, the Group announced that its wholly-owned subsidiary, Giken Mobility, had received homologation in Thailand for its new Iso UNO-X electric motorcycle. The EV segment is expected to contribute to the Group's revenue in 2022.

In addition to the OEM business, the Group is also "levelling up" in the value chain by moving into the ODM segment. The Group has been awarded sales order for its first ODM products in 2021. The Group will seek to grow its ODM business. Meanwhile, the Group remains vigilant and cautious to ensure that operations are not disrupted and continue to pursue business growth with key customers.

In the O&G business, we continues to work with our farm-in partner towards monetisation of Trembul Production Area assets despite that the road map was being delayed due to the breakout of pandemic.

11 **If a decision regarding dividend has been made:**

None.

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share ... cents

Not applicable.

(b) (ii) Previous corresponding period ... cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 **If no dividend has been declared / recommended, a statement to that effect.**

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 this year.

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

No general mandate for IPTs has been obtained from shareholders. There are no IPTs of S\$100,000 or more during the period under review.

14 **Please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.**

The Group raised net proceeds amounting to approximately S\$4,834,998 ("Net Proceeds") from the issue of 83,333,300 new ordinary shares pursuant to a placement exercise completed in September 2021 (the "Placement").

As at the date of this announcement, the use of the proceeds from the Placement is as follows:

Use of Proceeds	Percentage Allocation	Amount utilised as at the date of this announcement	Percentage utilisation	Balance
Financing the Group's business expansion	80%	S\$1,000,000 ⁽¹⁾	Approximately 26%	S\$2,868,000
General working capital of the Group	20%	S\$470,000 ⁽²⁾	Approximately 49%	S\$497,000

Notes:

(1) S\$1,000,000 has been disbursed for purchase of material in preparation of the Group's production of electric 2-wheelers.

(2) S\$470,000 has been utilised 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 equipments.

The use of the Net Proceeds is in accordance with the intended use and percentage allocation as disclosed in the Announcement on 19 August 2021. The Company will make periodic announcements as and when the balance of the Net Proceeds are materially disbursed.

15 **Negative confirmation pursuant to Rule 705(5)**

Not applicable for announcement on full year results.

16 **Confirmation by the issuer pursuant to Rule 720(1)**

The Company confirms that undertakings under Rule 720(1) have been obtained from its directors and executive officers in the format set out in Appendix 7H.

17 **In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments**

See paragraph 8 of this announcement and Note 4 to the Condensed Interim Consolidated Financial Statements.

18 **A breakdown of sales**

	Group		Increase /(Decrease)
	12 months ended		
	31 December 2021	31 December 2020	
	S\$ '000	S\$ '000	%
(a) Sales reported for first half year	58,545	42,955	36.29%
(b) Operating profit after tax before deducting Non-controlling interests reported for first half year	1,738	1,451	19.38%
(c) Sales reported for second half year	58,739	63,421	(7.38)%
(d) Operating profit after tax before deducting Non-controlling interests reported for second half year	3,311	3,763	(12.01)%

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

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Period (S\$'000)
Ordinary	0	0
Preference	0	0
Total :	0	0

NA

20 **Disclosure of person occupying a 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(10) in the format set out in Appendix 7C, Paragraph 20. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying any managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Anthony Kuek
Chairman

Date 1 March 2022

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

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