

GSS ENERGY LIMITED

(The “Company”)



**Unaudited Condensed Interim Financial Statements
For the Six Months
Ended 30 June 2024**

14 August 2024

Company Registration Number: 201432529C

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Note:

- Discrepancies in numbers in all tables are due to rounding.

- A.**
(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note ¹	Group 6 months ended 30 June		Change %
		2024 Unaudited S\$'000	2023 Unaudited S\$'000	
Revenue	8(ii)	52,459	58,982	(11.06)
Cost of Sales		(47,634)	(52,941)	(10.02)
Gross Profit	8(iii)	4,825	6,041	(20.13)
Other items of income				
Other income and gains	8(iv)	281	499	(43.69)
Other items of expenses				
Distribution costs		(5,172)	(5,622)	(8.00)
Administrative expenses		(2,607)	(2,441)	(6.80)
Other losses	8(v)	(84)	-	NM*
Loss from operations	8(xii)	(2,757)	(1,523)	81.02
Finance costs	8(vi)	(969)	(709)	36.67
Loss before income tax		(3,726)	(2,232)	66.94
Income tax expenses	8(vii)	(270)	(858)	(68.53)
Loss for the financial period	8(xii)	(3,996)	(3,090)	29.32
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising from translation of foreign operations		663	(228)	NM*
Remeasurement loss on retirement benefits		(66)	-	NM*
Other comprehensive income for the financial period, net of tax		597	(228)	NM*
Total comprehensive income for the financial period		(3,399)	(3,318)	2.44
Loss attributable to:				
Owners of the parent		(3,918)	(3,069)	27.66
Non-controlling interests		(78)	(21)	>100.00
		(3,996)	(3,090)	29.32
Total comprehensive income attributable to:				
Owners of the parent		(3,307)	(3,301)	0.18
Non-controlling interests		(92)	(17)	>100.00
		(3,399)	(3,318)	2.44

*NM – not meaningful

¹ Please refer to section F (Other information required by Appendix 7C to the Catalist Rules) of this announcement.

A.
(ii) Other information

		Group		
		6 months ended 30 June		
		2024	2023	
	Note²	Unaudited	Unaudited	Change
		S\$'000	S\$'000	%
Interest income	8(iv)	60	42	42.86
Finance costs	8(vi)	(969)	(709)	36.67
Amortisation of intangible assets	8(viii)	(107)	(136)	(21.32)
Amortisation of land use rights		(26)	(27)	(3.70)
Amortisation of right-of-use assets	8(ix)	(1,635)	(1,486)	10.03
Depreciation of property, plant and equipment	8(x)	(1,769)	(1,833)	(3.49)
Inventories written off		(7)	-	NM*
Foreign exchange (loss)/gain, net	8(v)	(83)	210	NM*
Share option expenses	8(xi)	(13)	(38)	(65.79)

² Please refer to section F (Other information required by Appendix 7C to the Catalist Rules) of this announcement.

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 statement of financial position

		30 June 2024 S\$'000	Group 31 December 2023 S\$'000	Change	30 June 2024 S\$'000	Company 31 December 2023 S\$'000	Change
	Note ³	Unaudited	Audited	%	Unaudited	Audited	%
ASSETS							
Non-current assets							
Property, plant and equipment	8(xiii)	23,459	22,614	3.74	-	-	NM*
Intangible assets	8(xiv)	3,425	3,169	8.08	-	-	NM*
Land use rights		1,086	1,109	(2.07)	-	-	NM*
Right-of-use assets	8(xv)	10,100	12,290	(17.82)	-	-	NM*
Goodwill		6,507	6,507	0.00	-	-	NM*
Other receivables		-	-	NM*	6,250	6,250	0.00
Investment in subsidiaries		-	-	NM*	16,411	16,399	0.07
Deferred tax assets		624	699	(10.73)	-	-	NM*
Total non-current assets		<u>45,201</u>	<u>46,388</u>	(2.56)	<u>22,661</u>	<u>22,649</u>	0.05%
Current assets							
Inventories		18,051	18,295	(1.33)	-	-	NM*
Trade receivables and other receivables		22,594	22,462	(0.59)	794	783	1.40
Other non-financial assets	8(xvi)	2,974	2,088	42.43	158	5	>100.00
Short-term investments	8(xvii)	2,085	-	NM*	-	-	NM*
Cash and cash equivalents	8(xviii)	10,379	14,883	(30.26)	9	107	(91.59)
Total current assets		<u>56,083</u>	<u>57,728</u>	(2.85)	<u>961</u>	<u>895</u>	7.37
Total assets		<u>101,284</u>	<u>104,116</u>	(2.72)	<u>23,622</u>	<u>23,554</u>	0.33
EQUITY AND LIABILITIES							
Current liabilities							
Income tax payable	8(xix)	56	40	40.00	-	-	NM*
Loan and borrowings	8(xx)	16,864	21,261	(20.68)	-	-	NM*
Lease liabilities	8(xxi)	2,986	3,322	(10.11)	-	-	NM*
Trade payables and other payables	8(xxii)	33,232	25,385	30.91	4,453	3,630	22.67
Total current liabilities		<u>53,138</u>	<u>50,008</u>	6.26	<u>4,453</u>	<u>3,630</u>	22.67
Net current assets/(liabilities)		<u>2,945</u>	<u>7,720</u>	(61.85)	<u>(3,492)</u>	<u>(2,735)</u>	27.68
Non-current liabilities							
Deferred tax liability		274	284	(3.52)	-	-	NM*
Loan and borrowings	8(xx)	3,298	4,729	(30.26)	-	-	NM*
Lease liabilities	8(xxi)	4,124	5,363	(23.10)	-	-	NM*
Other payables	8(xxii)	20	26	(23.08)	-	-	NM*
Retirement benefit obligations		2,286	2,201	3.86	-	-	NM*
Total non-current liabilities		<u>10,002</u>	<u>12,603</u>	(20.64)	<u>-</u>	<u>-</u>	NM*
Total liabilities		<u>63,140</u>	<u>62,611</u>	0.84	<u>4,453</u>	<u>3,630</u>	22.67
Net assets	8(xxiii)	<u>38,144</u>	<u>41,505</u>	(8.10)	<u>19,169</u>	<u>19,914</u>	(3.74)

³ Please refer to section F (Other information required by Appendix 7C to the Catalist Rules) of this announcement.

	30 June 2024 S\$'000	Group 31 December 2023 S\$'000	Change	30 June 2024 S\$'000	Company 31 December 2023 S\$'000	Change
Note ³	Unaudited	Audited	%	Unaudited	Audited	%
Equity attributable to owners of the parent						
Share capital	66,666	66,666	0.00	66,666	66,666	0.00
Other reserves	783	93	>100.00	148	135	9.63
Accumulated losses	<u>(27,766)</u>	<u>(23,782)</u>	16.75	<u>(47,645)</u>	<u>(46,887)</u>	1.62
	39,683	42,977	(7.66)	19,169	19,914	(3.74)
Non-controlling interests	<u>(1,539)</u>	<u>(1,472)</u>	4.55	-	-	NM*
Total equity	<u>38,144</u>	<u>41,505</u>	(8.10)	<u>19,169</u>	<u>19,914</u>	(3.74)
Total equity and liabilities	<u>101,284</u>	<u>104,116</u>	(2.72)	<u>23,622</u>	<u>23,554</u>	0.33

*NM – not meaningful

- B.**
(ii) Aggregate amount of group's borrowing and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less

As at 30 June 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,334	13,530	3,247	18,014

Amount repayable after one year

As at 30 June 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,298	-	3,485	1,244

Details of any collateral

The bank loans and invoice financing of subsidiaries are secured by corporate guarantees provided by the Company.

The land and building in one of wholly-owned subsidiaries are used as collateral of short-term and long-term loans.

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

Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	Unaudited	Unaudited
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(3,726)	(2,232)
Adjustments for:		
Inventories written off	7	-
Amortisation of intangible assets	107	136
Amortisation of land use rights	26	27
Amortisation of right-of-use assets	1,635	1,486
Depreciation of property, plant and equipment	1,769	1,833
Finance costs	969	709
Property, plant and equipment written off	17	-
Interest income	(60)	(42)
Share option expenses	13	38
Unrealised foreign exchange difference	309	377
Operating cash flows before working capital changes	<u>1,066</u>	<u>2,332</u>
Working capital changes		
Inventories	237	4,628
Trade and other receivables	(441)	(20,544)
Other non-financial assets	(886)	71
Trade and other payables	8,215	(1,387)
Cash generated from/(used in) operations	<u>8,191</u>	<u>(14,900)</u>
Interest received	22	27
Income tax paid	(245)	(1,223)
Net cash generated from/(used in) operating activities	<u>7,968</u>	<u>(16,096)</u>
Investing activities		
Purchase of property, plant and equipment	(1,243)	(704)
Purchase of intangible assets	(313)	-
Acquisition of short-term investments	(2,735)	(3,582)
Proceeds from short-term investments	688	1,484
Acquisition of investment in an associate	-	(3)
Net cash used in investing activities	<u>(3,603)</u>	<u>(2,805)</u>
Financing activities		
Proceeds from bank loans	25,539	51,472
Repayment of bank loans	(31,932)	(34,031)
Repayments of principal of lease liabilities	(1,642)	(1,760)
Repayments of interest of lease liabilities	(145)	-
Interest paid	(824)	(709)
Net cash (used in)/generated from financing activities	<u>(9,004)</u>	<u>14,972</u>
<i>Net decrease in cash and cash equivalents</i>	(4,639)	(3,929)
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	135	(98)
<i>Cash and cash equivalents at beginning of period</i>	14,532	15,151
Cash and cash equivalents at end of the period	<u>10,028</u>	<u>11,124</u>

D.

- (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other 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 statement 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 as at 1 January 2024	66,666	1,473	(1,637)	135	(23,782)	122	42,977	(1,472)	41,505
Net loss for the financial period	-	-	-	-	(3,918)	-	(3,918)	(78)	(3,996)
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	677	-	-	-	677	(14)	663
Remeasurement of defined benefit scheme					(66)		(66)	-	(66)
Total comprehensive income for the financial period	-	-	677	-	(3,984)	-	(3,307)	(92)	(3,399)
Total transactions with owners, recognised directly in equity									
Share option expenses	-	-	-	13	-	-	13	-	13
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	25	25
Balance as at 30 June 2024	66,666	1,473	(960)	148	(27,766)	122	39,683	(1,539)	38,144

	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 as at 1 January 2023	66,666	1,473	(615)	3,801	(18,820)	122	52,627	(1,366)	51,261
Net loss for the financial period	-	-	-	-	(3,069)	-	(3,069)	(21)	(3,090)
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	(232)	-	-	-	(232)	4	(228)
Total comprehensive income for the financial period	-	-	(232)	-	(3,069)	-	(3,301)	(17)	(3,318)
Total transactions with owners, recognised directly in equity									
Share option expenses	-	-	-	38	-	-	38	-	38
Balance as at 30 June 2023	66,666	1,473	(847)	3,839	(21,889)	122	49,364	(1,383)	47,981

**D.
(i)**

Condensed interim statement of changes in equity (cont'd)

	Share capital	Share options reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Company</u>				
Balance as at 1 January 2024	66,666	135	(46,887)	19,914
Loss for the financial period	-	-	(758)	(758)
Total comprehensive income for the financial period	-	-	(758)	(758)
Share option expenses	-	13	-	13
Balance as at 30 June 2024	66,666	148	(47,645)	19,169
Balance at 1 January 2023	66,666	3,801	(49,315)	21,152
Loss for the financial period	-	-	(487)	(487)
Total comprehensive income for the financial period	-	-	(487)	(487)
Share option expenses	-	38	-	38
Balance as at 30 June 2023	66,666	3,839	(49,802)	20,703

E. 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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 12 February 2015. The Company’s registration number is 201432529C. Its registered office is at 141 Cecil Street, #07-06 Tung Ann Association Building, Singapore 069541 and its principal place of business is at Blk 4012 Ang Mo Kio Ave 10, #05-01 Techplace 1, Singapore 569628.

The principal activities of the 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 solutions including providing advisory or solutions 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 30 June 2024 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 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 2.1.

2.1 New and amended standards adopted by the Group

On 1 January 2024, 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 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 2023.

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.

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 and the Group's Chief Financial Officer review internal management reports at least on a half-yearly basis.

The Group has three (3) reportable segments, being Mechanisms, Microshafts and Electric Vehicle.

4.1 Reportable segments

Segments	Mechanisms S\$'000	Microshafts S\$'000	Electric Vehicle S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
1H2024 Revenue						
External customers	42,957	9,483	19	0	-	52,459
Intersegment revenues	8,510	1,102	351	90	(10,053)	-
Total revenue	<u>51,467</u>	<u>10,585</u>	<u>370</u>	<u>90</u>	<u>(10,053)</u>	<u>52,459</u>
Results						
Operating profit/(loss)	39	(229)	(1,919)	(708)	-	(2,817)
Interest income						60
Finance costs						(969)
Loss before tax from continuing operation						<u>(3,726)</u>
Income tax expenses						(270)
Loss from continuing operation						<u>(3,996)</u>
As at 30 June 2024 Segment assets and liabilities						
Segment assets	66,802	18,944	15,300	238	-	101,284
Segment liabilities	<u>55,643</u>	<u>4,968</u>	<u>2,102</u>	<u>427</u>	<u>-</u>	<u>63,140</u>
1H2024 Other segment information						
Capital expenditure	1,042	101	100	-	-	1,243
Depreciation and amortisation	<u>2,708</u>	<u>567</u>	<u>261</u>	<u>1</u>	<u>-</u>	<u>3,537</u>

Segments	Mechanisms	Microshafts	Electric Vehicle	Unallocated segment	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2023 Revenue						
External customers	48,878	9,997	107	-	-	58,982
Intersegment revenues	10,566	1,069	-	90	(11,725)	-
Total revenue	59,444	11,182	107	90	(11,725)	58,982
Results						
Operating profit/(loss)	482	1	(1,013)	(1,035)	-	(1,565)
Interest income						42
Finance costs						(709)
Loss before tax from continuing operation						(2,232)
Income tax expenses						(858)
Net profit to owners of the parent						(3,090)
As at 30 June 2023 Segment assets and liabilities						
Segment assets	85,018	20,363	14,206	40	-	119,627
Segment liabilities	64,023	5,340	2,052	231	-	71,646
1H2023 Other segment information						
Capital expenditure	360	293	127	-	-	780
Depreciation and amortisation	2,612	666	204	-	-	3,482

Geographical Segments

	Non-current assets ⁽¹⁾		Group expenditure	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	14,270	15,093	77	240
Indonesia	18,790	18,778	1,037	425
China	5,295	5,555	129	1,099
Thailand	315	397	-	-
Other countries	24	58	-	-
	38,694	39,881	1,243	1,764

⁽¹⁾ Non-current assets exclude Goodwill.

4.2 Disaggregation of revenue

Segments	Mechanisms		Microshafts		Electric Vehicle		Total	
	1H2024	1H2023	1H2024	1H2023	1H2024	1H2023	1H2024	1H2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Primary geographical markets</u>								
Singapore	5,801	6,127	407	1,486	-	-	6,208	7,613
Indonesia	35,709	39,969	310	310	-	-	36,019	40,279
Germany	-	56	808	840	-	-	808	896
China	-	293	3,761	2,602	-	17	3,761	2,912
Thailand	-	-	147	184	19	90	166	274
Malaysia	2	42	780	459	-	-	782	501
Others	1,445	2,440	3,270	4,067	-	-	4,715	6,507
	42,957	48,927	9,483	9,948	19	107	52,459	58,982
<u>Type of goods or services</u>								
Sale of goods	39,056	42,011	9,474	9,948	19	107	48,549	52,066
Services rendered	3,901	6,916	9	-	-	-	3,910	6,916
	42,957	48,927	9,483	9,948	19	107	52,459	58,982
<u>Timing of transfer of goods and services</u>								
Point in time	42,957	48,927	9,483	9,948	19	107	52,459	58,982

	30 June 2024 S\$'000	Group 30 June 2023 S\$'000	Change %
A breakdown of sales			
Sales reported for first half year	52,459	58,982	(11.06)
Operating loss after tax before deducting non-controlling interests reported for first half year	(3,996)	(3,090)	29.32

*NM – not meaningful

5. Financial assets and financial liabilities

An overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023 is set out below:

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Financial assets				
Financial assets measured at amortised cost	35,058	37,345	803	890
Financial liabilities				
Financial liabilities measured at amortised cost	60,524	60,086	4,453	3,630

5. Financial assets and financial liabilities (cont'd)

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 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
30 June 2024				
Short-term investments	-	2,085	-	2,085
31 December 2023				
Short-term investments	-	-	-	-

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	
	30 June 2024 S\$'000	30 June 2023 S\$'000
Taxation charge for the financial period comprises:		
- Current financial period	307	885
- Deferred income tax (recognised)/expense relating to origination	(37)	(27)
	<u>270</u>	<u>858</u>

7. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to S\$1,243,000 (1H2023: S\$704,000) and the value of assets disposed/written off was nil.

8. Share capital

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 and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of ordinary shares '000		S\$'000	S\$'000
Issued and paid-up:				
At the beginning of interim period	630,192	630,192	66,666	66,666
At the end of interim period	630,192	630,192	66,666	66,666

There were no treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

F. Other information required by Appendix 7C to the Catalyst Rules

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

In 1H2024, no warrants were issued (1H2023: Nil) and no warrants were exercised (1H2023: Nil). As at 30 June 2024, the number of shares that may be issued on exercise of all the outstanding warrants was 40,500,000 (30 June 2023: 40,500,000) which represented approximately 6.43% (30 June 2023: 6.43%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

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 1H2024, no share options (1H2023: Nil) were granted or exercised under the GEL Scheme and GEL 2018 Scheme. As at 30 June 2024, the number of shares that may be issued on conversion of all the outstanding share options was 4,000,000 (30 June 2023: 4,000,000) which represented approximately 0.63% (30 June 2023: 0.63%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

Number of outstanding convertibles								
Date of grant	Exercise price	Balance as at 1 January 2024	Granted during the current financial period	Exercised during the current financial period	Cancelled / lapsed during the current financial period	Balance as at 30 June 2024	Balance as at 30 June 2023	Exercise period
Warrants								
30 March 2022 ⁽¹⁾	S\$0.07054	40,500,000	-	-	-	40,500,000	40,500,000	(a) In respect of 13,500,000 warrants, they can be exercised commencing on the first (1st) anniversary, 30 March 2023 to 29 March 2027; (b) In respect of 13,500,000 warrants, they can be exercised commencing on the second (2nd) anniversary, 30 March 2024 to 29 March 2027; and (c) In respect of 13,500,000 warrants, they can be exercised commencing on the third (3rd) anniversary,

Number of outstanding convertibles								
Date of grant	Exercise price	Balance as at 1 January 2024	Granted during the current financial period	Exercised during the current financial period	Cancelled / lapsed during the current financial period	Balance as at 30 June 2024	Balance as at 30 June 2023	Exercise period
								30 March 2025 to 29 March 2027.
Share options								
23 February 2018	S\$0.12512	-	-	-	-	-	-	23 February 2022 to 22 February 2023
9 March 2022 ⁽²⁾	S\$0.05664	4,000,000	-	-	-	4,000,000	4,000,000	10 March 2024 to 9 March 2027

Notes:

- (1) Announcement in relation of the issue of warrants upon completion of the acquisition of Edison Motors, dated 30 March 2022 can be found at URL: https://links.sgx.com/FileOpen/SGX-GSSEL-ANNOUNCEMENT_COMPLETION.ashx?App=Announcement&FileID=709092.
- (2) Announcement in relation of the grant of share options, dated 10 March 2022 can be found at URL: https://links.sgx.com/FileOpen/SGX-GSSEL_Share_Options_Grant_20220310.ashx?App=Announcement&FileID=706794. The Company had on 10 March 2022, announced the grant of 6,000,000 employee share options to eligible persons under the GEL Scheme. Eventually, there were only 5,000,000 employee share options which were granted.

Save as disclosed above, there were no other convertibles as at 30 June 2024 and 30 June 2023. As at 30 June 2024, the number of shares that may be issued on conversion of all of the outstanding convertibles was 44,500,000 (30 June 2023: 44,500,000), which represented approximately 7.06% (30 June 2023: 7.06%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

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

	Company	
	30 June 2024	31 December 2023
Total number of issued shares excluding treasury shares	630,191,957	630,191,957

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

There was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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

There was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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

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

Not applicable as the figures have not been audited or reviewed by the external auditors of the Company.

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

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 effect 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	1H2024	Group	1H2023
	Singapore cents		Singapore cents
Earnings per ordinary share for the period			
(a) Based on the weighted average number of ordinary shares on issue during the period	(0.62)		(0.49)
Weighted average number of ordinary shares	630,191,957		630,191,957
(b) on a fully diluted basis	(0.62)		(0.49)
Adjusted weighted average number of ordinary shares	630,191,957		630,191,957

44,500,000 warrants and share options were not included in the computation of diluted earnings per ordinary share for 1H2024 and 1H2023 as the average market prices during the period were below the exercise prices, thus rendering the potential ordinary shares anti-dilutive.

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

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

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Singapore cents	Singapore cents	Singapore cents	Singapore cents
Net assets value per ordinary share	6.05	6.94	3.04	3.16
Net tangible assets value per ordinary share	2.60	4.99	3.04	3.16

The net assets value per share for the period ended 30 June 2024 is calculated based on the share capital of the Company (excluding treasury shares) in issue at the end of the period of 630,191,957 ordinary shares (31 December 2023: 630,191,957 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") and electronic vehicles business ("EV") and retains remaining non-operational interest in oil and gas services business ("O&G").

Condensed interim consolidated statement of profit or loss and other comprehensive income

- (ii) The Group recorded a turnover of S\$52.46 million during 1H2024, a decrease of 11.06% from S\$58.98 million in 1H2023. This is mainly attributed by a decrease in orders from some of our precision engineering customers, as result of weaker demand for the components produced and assembled by the Group under its PE business, and accordingly, the Group recorded a lower turnover.
- (iii) The Group achieved a lower gross margin of 9.20% for 1H2024 as compared to 10.24% for 1H2023. This is due to the lower turnover recorded as explained in sub-paragraph 8(ii) above, which was not accompanied by a similar percentage of decrease in the cost of sales incurred by the Group. Costs of sales for the Group remained high due to the higher costs in 1H2024 such as sub-materials costs, logistics costs, and amortisation in relation to EV's assets commenced in Q2 2024, while slight reduction of depreciation as compared with 1H2023 in the locations where the factories of the Group are operating. Pursuant to the above-mentioned factors, gross profit decreased by 20.13% from 1H2023 to 1H2024.
- (iv) The Group's other income and gains were S\$0.28 million for 1H2024 as compared to S\$0.50 million in 1H2023. This decrease is due to lesser foreign exchange gain recorded as other income and gains by the Group in 1H2024. Interest income for 1H2024 was S\$0.06 million, compared to S\$0.04 million in 1H2023. The increase in interest income was in line with higher amount placed by the Group with financial institutions as short-term financial assets.
- (v) The Group recorded a net foreign exchange losses of S\$0.08 million for 1H2024, compared to net foreign exchange gains of S\$0.21 million for 1H2023. This minor loss is attributable to the revaluation of assets and liabilities.
- (vi) Finance costs for 1H2024 was S\$0.97 million, compared to S\$0.71 million in 1H2023. The increase was due to the higher interest rate across various financial institutions for short-term loans and working capital financing obtained for 1H2024.

- (vii) Income tax expenses for 1H2024 was S\$0.27 million, compared to S\$0.86 million in 1H2023. The decrease in taxation charge for 1H2024 was due to lower profit recorded at profit-making business units. The Group's income tax expense is provided based on the statutory tax rates of the respective countries that the Group operates in.
- (viii) The lower amortisation of intangible assets for 1H2024 of S\$0.11 million as compared to 1H2023 is due to some intangible assets were fully amortized in FY2023.
- (ix) The higher amortisation of right-of-use assets for 1H2023 of S\$1.68 million as compared to 1H2023 of S\$1.49 million was mainly attributable to amortisation of additional development costs incurred in the EV business.
- (x) The slightly lower depreciation of property, plant and equipment for 1H2024 of S\$1.77 million as compared to 1H2023 of S\$1.83 million was mainly due to the some of the machinery and equipment purchased are fully depreciated in FY2023.
- (xi) Share option expenses for 1H2024 was S\$0.01 million as compared to S\$0.04 million in 1H2023 was mainly attributable to partial share options expense allocation completed as of Feb 2024.
- (xii) The Group recorded an operating loss of S\$2.82 million for 1H2024 (1H2023: operating profit of S\$1.57 million). PE recorded an operating loss of S\$0.19 million (1H2023: operating profit of S\$0.48 million) while EV incurred a loss of S\$1.92 million (1H2023: S\$1.01 million). The operating loss under the unallocated segment was attributed to corporate expense for the Company. The Group recorded a net loss of S\$3.73 million before taxation, mainly incurred by the EV segment for business development and research costs, higher financing costs with elevated interest rates, and softer demand amid a weak economy.

Condensed interim statement of financial position

- (xiii) Property, plant and equipment as at 30 June 2024 was S\$23.46 million. The increase of S\$0.85 million from 31 December 2023 was after accounting for the acquisition of machinery and equipment to upgrade machining capabilities and replace aged machines used in production, and the addition of tooling and equipment for EV and battery pack business. This was offset by a depreciation of S\$1.77 million for 1H2024.
- (xiv) Intangible assets as at 30 June 2024 was S\$3.43 million. The increase of S\$0.26 million from 31 December 2023 is the additional development cost incurred for the EV business and offset by amortisation of S\$0.11m for 1H2024.
- (xv) Right-of-use assets as at 30 June 2024 amounted to S\$10.10 million, a decrease of S\$2.19 million from 31 December 2023. The decrease was due to the amortisation of right-of-use assets for 1H2024.
- (xvi) Other non-financial assets at 30 June 2024 amounted to S\$2.97 million, an increase of S\$0.89 million from 31 December 2023. This was mainly attributable to the upfront payment paid to suppliers and supplies waiting to be received.
- (xvii) As at 30 June 2024, the Group's China subsidiary had a net placement of S\$2.09 million for short-term investments. The purpose of short-term investments is to yield a better interest return than a traditional fixed deposit for its cash surplus. These products are readily deployable in the event that there is a financial need for business operations.
- (xviii) The cash balance is S\$10.38 million as at 30 June 2024, a decrease of S\$4.50 million from 31 Dec 2023, it was mainly due to higher net cash used to repay bank loans in 1H2024, and the acquisition of short-term investment of S\$2.09 million as explained in above (xvii).
- (xix) Income tax payable as at 30 June 2024 was S\$0.06 million. This was an increase of S\$0.02 million from 31 December 2023 due to income tax payment which was settled and income tax provision for the profit recorded at profit-making business units during 1H2024.
- (xx) Loan and borrowings (both current and non-current) as at 30 June 2024 was S\$20.16 million, a decrease of S\$5.83 million from 31 December 2023. The decrease was mainly due to the net of the loan repayment to various banks in 1H2024.

As at 30 June 2024, one of the Group's subsidiaries was not in compliance with the covenants set out in certain of its banking facilities, namely failing to meet the minimum requirement of total equity and debt service coverage ratio. The Company has notified the relevant banks of this situation, and they have agreed to continue supporting the Group for the time being while monitoring its business and financial performance going forward. All loans S\$13.53 million associated with these covenants have been classified as current including the reclassification of S\$0.20 million from non-current to current as of the reporting date of this announcement.

- (xxi) Lease liabilities (both current and non-current) as at 30 June 2024 was S\$7.11 million. This was a decrease of S\$1.58 million from 31 December 2023 mainly due to repayment of lease liabilities.
- (xxii) The trade and other payables (both current and non-current) as at 30 June 2024 were S\$33.25 million. The increase of S\$7.85 million from 31 December 2023 was mainly attributable to the increased purchase of in the Q2 2024 when compared to Q4 2023 in anticipation of higher demand from existing customers in Q3 2024.
- (xxiii) The net assets of the Group as at 30 June 2024 was S\$38.14 million compared to S\$41.51 million as at 31 December 2023. Net assets per share as at 30 June 2024 was S\$0.0605 compared to S\$0.0659 as at 31 December 2023.

Condensed interim consolidated statement of cash flows

- (xxiv) The Group incurred a net operating cash inflow of S\$7.97 million for 1H2024 mainly due to the positive EBITDA while managing the working capital requirements closely with some long-term suppliers.
- (xxv) Net cash used in investing activities during the period was S\$3.60 million. This included S\$1.60 million for development and acquiring machinery and equipment, and net placement of S\$2.09 million for additional short-term investments.
- (xxvi) Net cash used in financing activities amounted to S\$8.97 million for 1H2024. These included the loan repayment of S\$30.56 million to banks (refer to sub-paragraphs 8(xx) for more details), S\$1.64 million for repayment of obligations under lease liabilities arising from right-of-use assets, and S\$0.97 million for interest paid for 1H2024. This is offset by proceeds from bank loans of S\$24.20 million.
- (xxvii) Net cash and cash equivalents as at 30 June 2024 stood at S\$10.03 million, a decrease of S\$ 4.50 million from 31 December 2023 of S\$14.53 million. The net cash balance does not include the S\$0.35 million cash pledged for bank facilities.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The Group's turnover in the first half of 2024 has been lower due to current economic conditions marked by slow growth and cost inflation, which has led to reduced purchasing power for consumable goods. Despite these challenges, we currently anticipate an increase in orders from existing precision engineering customers in the second half of 2024 driven by the introduction of new engineering products in our established manufacturing sectors.

In the electric mobility business, we have achieved significant milestones with our battery packing business, including being certified as an approved battery packer by a multinational company and our battery pack being approved by one of our potential customers, which is scheduled for delivery in the second half of 2024 and beyond. We will focus on securing additional orders from prospective customers starting next year.

For the electric vehicle segment, the Group is preparing to launch our electric motorcycles in the Thailand market in the second half of 2024, with plans to expand into other markets thereafter.

11 If a decision regarding dividend has been made:

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

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

The Board has reviewed the Group's resources for ongoing operations and plans for expansion, and is of the opinion that conservation of financial resources would enable the Group to deploy them to support growth and enhance shareholder value. Accordingly, a dividend has not been recommended.

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 Negative confirmation pursuant to Rule 705(5).

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the half year ended 30 June 2024 to be false or misleading in any material aspect.

15 Additional information pursuant to Rule 706A.

None.

However, the Company would like to update that, in May 2024, its wholly-owned subsidiary Giken Sakata (S) Limited had transferred 5% of shareholdings in Giken Renewable Energy Solutions Pte. Ltd. to one of directors Mr Srinivasan Natarajan who has contributed significantly to the success of battery pack project and fulfilled the milestone agreed by the Company.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers under 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 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purpose, a breakdown with specific details on how the proceeds have been applied must be disclosed.

There are no remaining proceeds raised from the IPO and offerings of the Company.

18 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

Yeung Kin Bond, Sydney
Group Chief Executive Director and Executive Director

14 August 2024

*This document has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("the **Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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