



**GSS ENERGY LIMITED**  
RCB No: 201432529C

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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**

	Group		Change in %
	1H2022 <sup>1</sup> (S\$'000)	1H2021 <sup>2</sup> (S\$'000)	
<b>Revenue</b>	67,010	58,545	14.46%
Cost of Sales	<u>(57,167)</u>	<u>(49,266)</u>	16.04%
<b>Gross Profit</b>	9,843	9,279	6.08%
<b>Other items of income</b>			
Other income	680	432	57.41%
Interest income	12	56	(78.57)%
<b>Other items of expenses</b>			
Selling and distribution expenses	(5,457)	(5,176)	5.43%
Administrative expenses	<u>(2,472)</u>	<u>(1,961)</u>	26.06%
<b>Profit from operations</b>	2,606	2,630	(0.91)%
Finance costs	<u>(531)</u>	<u>(198)</u>	>100.00%
<b>Profit before income tax</b>	2,075	2,432	(14.68)%
Income tax expense	<u>(772)</u>	<u>(694)</u>	11.24%
<b>Profit for the financial period</b>	<u>1,303</u>	<u>1,738</u>	(25.03)%
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations	<u>767</u>	<u>941</u>	(18.49)%
<b>Other comprehensive income for the financial period, net of tax</b>	<u>767</u>	<u>941</u>	(18.49)%
<b>Total comprehensive income for the financial period</b>	<u><u>2,070</u></u>	<u><u>2,679</u></u>	(22.73)%
<b>Profit attributable to:-</b>			
Owners of the parent	1,341	1,799	(25.46)%
Non-controlling interests	(38)	(61)	(37.70)%
	<u>1,303</u>	<u>1,738</u>	(25.03)%
<b>Total comprehensive income attributable to:-</b>			
Owners of the parent	2,115	2,742	(22.87)%
Non-controlling interests	(45)	(63)	(28.57)%
	<u><u>2,070</u></u>	<u><u>2,679</u></u>	(22.73)%

1 (a) (ii) Other information

	1H2022 <sup>1</sup> (S\$'000)	Group 1H2021 <sup>2</sup> (S\$'000)	Change in %
Interest income	12	56	(78.57)%
Finance costs	(531)	(198)	>100.00%
Amortisation of intangible assets	(2)	(2)	0.00%
Amortisation of land use rights	(29)	(27)	7.41%
Amortisation of right-of-use assets	(919)	(661)	39.03%
Depreciation of property, plant and equipment	(1,332)	(1,339)	(0.52)%
Inventories written off	(2)	-	NM
Foreign exchange gain, net	170	55	>100.00%
Gain on disposal of property, plant and equipment	-	15	(100.00)%
Share option expenses	(31)	-	NM

Notes

- <sup>1</sup> "1H2022": Period from 1 January 2022 to 30 June 2022  
<sup>2</sup> "1H2021": Period from 1 January 2021 to 30 June 2021  
<sup>3</sup> "Group": GSS Energy Limited together with its subsidiaries  
<sup>4</sup> "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			Company		
	30.06.2022	31.12.2021	Change in	30.06.2022	31.12.2021	Change in
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	23,843	23,485	1.52%	2	3	(33.33)%
Intangible assets	13	8	62.50%	-	-	NM
Land use rights	1,323	1,382	(4.27)%	-	-	NM
Right-of-use assets	9,693	5,733	69.07%	-	-	NM
Investment in subsidiaries	-	-	NM	16,263	16,263	0.00%
Investment in an associate	2,753	2,753	0.00%	2,791	2,791	0.00%
Goodwill	7,637	112	>100.00%	-	-	NM
Deferred tax assets	65	37	75.68%	-	-	NM
Due from an associate	9,862	9,862	0.00%	9,862	9,862	0.00%
Due from subsidiaries	-	-	NM	-	-	NM
	<u>55,189</u>	<u>43,372</u>	27.25%	<u>28,918</u>	<u>28,919</u>	0.00%
<b>Current assets</b>						
Inventories	35,093	33,907	3.50%	-	-	NM
Trade receivables	30,761	26,535	15.93%	-	-	NM
Other receivables and deposits	8,158	6,543	24.68%	12	4	>100.00%
Prepayment	292	236	23.73%	-	10	(100.00)%
Due from subsidiaries	-	-	NM	5,456	2,408	>100.00%
Amount due from a related party	284	282	0.71%	-	-	NM
Short-term investments	1,771	-	NM	-	-	NM
Cash and cash equivalents	12,938	15,737	(17.79)%	333	768	(56.64)%
	<u>89,297</u>	<u>83,240</u>	7.28%	<u>5,801</u>	<u>3,190</u>	81.85%
<b>Total assets</b>	<u>144,486</u>	<u>126,612</u>	14.12%	<u>34,719</u>	<u>32,109</u>	8.13%
<b>EQUITY AND LIABILITIES</b>						
<b>Current liabilities</b>						
Trade payables	27,741	26,407	5.05%	-	-	NM
Other payables and accruals	11,993	8,544	40.37%	216	241	(10.37)%
Due to a subsidiary	-	-	NM	-	405	(100.00)%
Current income tax payable	881	871	1.15%	-	-	NM
Lease liabilities	4,900	1,487	>100.00%	-	-	NM
Loan and borrowings	20,856	14,524	43.60%	-	-	NM
	<u>66,371</u>	<u>51,833</u>	28.05%	<u>216</u>	<u>646</u>	(66.56)%
<b>Net current assets</b>	<u>22,926</u>	<u>31,407</u>	(27.00)%	<u>5,585</u>	<u>2,544</u>	>100.00%
<b>Non-current liabilities</b>						
Lease liabilities	2,540	3,638	(30.18)%	-	-	NM
Other payables	-	445	(100.00)%	-	-	NM
Loan and borrowings	3,214	3,970	(19.04)%	-	-	NM
Retirement benefit obligations	1,500	1,493	0.47%	-	-	NM
Deferred tax liability	108	108	0.00%	-	-	NM
	<u>7,362</u>	<u>9,654</u>	(23.74)%	<u>-</u>	<u>-</u>	NM
<b>Total liabilities</b>	<u>73,733</u>	<u>61,487</u>	19.92%	<u>216</u>	<u>646</u>	(66.56)%
<b>Net assets</b>	<u>70,753</u>	<u>65,125</u>	8.64%	<u>34,503</u>	<u>31,463</u>	9.66%
<b>Equity attributable to owners of the parent</b>						
Share capital	66,943	63,416	5.56%	66,943	63,416	5.56%
Accumulated losses	(2,019)	(3,360)	(39.91)%	(36,195)	(35,677)	1.45%
Other reserves	7,096	6,291	12.80%	3,755	3,724	0.83%
	<u>72,020</u>	<u>66,347</u>	8.55%	<u>34,503</u>	<u>31,463</u>	9.66%
<b>Non-controlling interests</b>	<u>(1,267)</u>	<u>(1,222)</u>	3.68%	<u>-</u>	<u>-</u>	NM
<b>Total equity</b>	<u>70,753</u>	<u>65,125</u>	8.64%	<u>34,503</u>	<u>31,463</u>	9.66%
<b>Total equity and liabilities</b>	<u>144,486</u>	<u>126,612</u>	14.12%	<u>34,719</u>	<u>32,109</u>	8.13%

- 1 (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, or on demand**

As at 30.06.2022		As at 31.12.2021	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	20,856	-	14,524

**Amount repayable after one year**

As at 30.06.2022		As at 31.12.2021	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	3,214	-	3,970

**Note:**

**Details of any collateral**

- (i) The bank loans and invoice financing of subsidiaries are secured by corporate guarantees provided by 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	
	1H2022 <sup>1</sup> (S\$'000)	1H2021 <sup>2</sup> (S\$'000)
<b>Operating activities</b>		
Profit before income tax	2,075	2,432
Adjustments for:		
Inventories written off	2	-
Amortisation of intangible assets	2	2
Amortisation of land use rights	29	27
Amortisation of right-of-use assets	919	661
Depreciation of property, plant and equipment	1,332	1,339
Finance costs	531	198
Gain on disposal of property, plant and equipment	-	(15)
Interest income	(12)	(56)
Share option expenses	31	-
<b>Operating cash flows before working capital changes</b>	<b>4,909</b>	<b>4,588</b>
<b>Working capital changes</b>		
Inventories	(346)	(7,939)
Trade receivables	(3,454)	3,717
Other receivables and deposits	(2,610)	(101)
Prepayments	(56)	(55)
Trade payables	671	844
Other payables and accruals	(163)	(1,584)
<b>Cash used in operations</b>	<b>(1,049)</b>	<b>(530)</b>
Interest received	12	56
Interest paid	(393)	(171)
Income tax paid	(816)	(483)
<b>Net cash used in operating activities</b>	<b>(2,246)</b>	<b>(1,128)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,023)	(1,002)
Proceeds from disposal of property, plant and equipment	-	21
Addition to short-term investments	(4,104)	(4,957)
Proceeds from short-term investments	2,333	3,088
Acquisition of a subsidiary, net of cash acquired	(1,371)	-
<b>Net cash used in investing activities</b>	<b>(4,165)</b>	<b>(2,850)</b>
<b>Financing activities</b>		
Proceeds from bank loans	50,451	27,770
Repayment of bank loans	(44,345)	(24,047)
Repayments of principal of lease liabilities	(2,543)	(634)
<b>Net cash generated from financing activities</b>	<b>3,563</b>	<b>3,089</b>
<i>Net decrease in cash and cash equivalents</i>	<i>(2,848)</i>	<i>(889)</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>49</i>	<i>174</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>15,737</i>	<i>7,064</i>
<b>Cash and cash equivalents at end of the period</b>	<b>12,938</b>	<b>6,349</b>

**Notes**

<sup>1</sup> "1H2022": Period from 1 January 2022 to 30 June 2022

<sup>2</sup> "1H2021": Period from 1 January 2021 to 30 June 2021

- 1 (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 Statements of Changes in Equity for Half Year ended 30 June 2022

	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
	£\$'000	£\$'000	£\$'000	£\$'000	£\$'000	£\$'000	£\$'000	£\$'000	£\$'000
<b>The Group</b>									
Balance at 1 January 2022	63,416	1,473	962	3,724	(3,360)	132	66,347	(1,222)	65,125
Net profit/(loss) for the financial period	-	-	-	-	1,341	-	1,341	(38)	1,303
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	774	-	-	-	774	(7)	767
Total comprehensive income for the financial period	-	-	774	-	1,341	-	2,115	(45)	2,070
Total transactions with owners, recognised directly in equity									
Issue of ordinary shares	3,527	-	-	-	-	-	3,527	-	3,527
Share option expenses	-	-	-	31	-	-	31	-	31
	3,527	-	-	31	-	-	3,558	-	3,558
Balance at 30 June 2022	66,943	1,473	1,736	3,755	(2,019)	132	72,020	(1,267)	70,753
<b>The Group</b>									
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 period	-	-	-	-	1,799	-	1,799	(61)	1,738
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	943	-	-	-	943	(2)	941
Total comprehensive income for the financial period	-	-	943	-	1,799	-	2,742	(63)	2,679
Balance at 30 June 2021	58,591	1,352	565	3,724	(6,511)	132	57,853	(1,181)	56,672

Condensed Interim Statements of Changes in Equity for Half Year ended 30 June 2022 (cont'd)

	Share capital	Share option reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>				
<b>Balance at 1 January 2022</b>	63,416	3,724	(35,677)	31,463
<b>Loss for the financial period</b>	-	-	(518)	(518)
<b>Total comprehensive income for the financial period</b>	-	-	(518)	(518)
<b>Issue of ordinary shares</b>	3,527	-	-	3,527
<b>Share option expenses</b>	-	31	-	31
<b>Balance at 30 June 2022</b>	66,943	3,755	(36,195)	34,503
<b>Balance at 1 January 2021</b>	58,591	3,724	(34,928)	27,387
<b>Loss for the financial period</b>	-	-	(362)	(362)
<b>Total comprehensive income for the financial period</b>	-	-	(362)	(362)
<b>Balance at 30 June 2021</b>	58,591	3,724	(35,290)	27,025

## 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 ("SGX-ST") since 12 February 2015. The Company's registration number is 201432529C. Its registered office is at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 and its principal place of business is at Blk 4012 Ang Mo Kio Ave 10, #05-01 Techplace 1, Singapore 569628.

The principal activities of the 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 30 June 2022 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 2021.

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 2022, 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 2021.

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 two reportable segments, being Mechanisms and Microshafts.

#### 4.1 Reportable segments

	Mechanisms S\$'000	Microshafts S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
<b>1H2022</b>					
<b>Revenue</b>					
External customers	55,450	11,560	-	-	67,010
Intersegment revenues	18,072	887	-	(18,959)	-
Total revenue	73,522	12,447	-	(18,959)	67,010
<b>Results</b>					
Operating profit/(loss)	2,498	621	(525)	-	2,594
Interest income					12
Finance costs					(531)
Income tax expenses					(772)
Non-controlling interests					38
Net profit to owners of the parent					1,341
<b>30.06.2022</b>					
<b>Segment assets and liabilities</b>					
Segment assets	95,397	26,218	22,871	-	144,486
Segment liabilities	63,935	7,008	2,790	-	73,733

## 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
<b>1H2022</b>					
<b>Other segment information</b>					
Capital expenditure	(5,381)	(195)	-	-	(5,576)
Depreciation and amortisation	(1,596)	(686)	-	-	(2,282)
Inventories written off	(2)	-	-	-	(2)
Net foreign exchange gain	217	(47)	-	-	170

### 1H2021

#### Revenue

External customers	46,966	11,579	-	-	58,545
Intersegment revenues	11,435	961	-	(12,396)	-
Total revenue	58,401	12,540	-	(12,396)	58,545

#### Results

Operating profit/(loss)	2,196	800	(422)	-	2,574
Interest income					56
Finance costs					(198)
Income tax expenses					(694)
Non-controlling interests					61
Net profit to owners of the parent					<b>1,799</b>

### 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

### 1H2021

#### Other segment information

Capital expenditure	(2,103)	(77)	-	-	(2,180)
Depreciation and amortisation	(1,448)	(581)	-	-	(2,029)
Net foreign exchange gain	102	(47)	-	-	55

#### Geographical Segments

	Non-current assets <sup>(1)</sup>		Group expenditure	
	30.06.2022 S\$'000	31.12.2021 S\$'000	30.06.2022 S\$'000	31.12.2021 S\$'000
Singapore	14,670	14,995	103	1,914
Indonesia	25,951	20,965	5,377	678
China	6,470	7,051	96	179
Other Countries	461	249	-	-
	47,552	43,260	5,576	2,771

<sup>(1)</sup> Non-current assets exclude Goodwill.



## Notes to the Condensed Interim Consolidated Financial Statements

### 4.2 Disaggregation of revenue

Segments	Mechanisms		Microshafts		Total	
	1H2022 S\$'000	1H2021 S\$'000	1H2022 S\$'000	1H2021 S\$'000	1H2022 S\$'000	1H2021 S\$'000
<u>Primary geographical markets</u>						
Singapore	6,183	6,286	1,142	1,495	7,325	7,781
Indonesia	47,679	36,317	542	488	48,221	36,805
Germany	37	14	875	979	912	993
China	491	3,643	2,709	3,703	3,200	7,346
Thailand	-	-	253	521	253	521
Malaysia	27	47	639	471	666	518
Others	1,033	659	5,400	3,922	6,433	4,581
	<u>55,450</u>	<u>46,966</u>	<u>11,560</u>	<u>11,579</u>	<u>67,010</u>	<u>58,545</u>
<u>Type of good or services</u>						
Sale of goods	50,503	42,775	11,560	11,579	62,063	54,354
Services rendered	4,947	4,191	-	-	4,947	4,191
	<u>55,450</u>	<u>46,966</u>	<u>11,560</u>	<u>11,579</u>	<u>67,010</u>	<u>58,545</u>
<u>Timing of transfer of goods and services</u>						
Point in time	<u>55,450</u>	<u>46,966</u>	<u>11,560</u>	<u>11,579</u>	<u>67,010</u>	<u>58,545</u>

	Group		
	30.06.2022 S\$ '000	30.06.2021 S\$ '000	Change in %
<b>A breakdown of sales</b>			
Sales reported for first half year	67,010	58,545	14.46%
Operating profit after tax before deducting Non-controlling interests reported for first half year	1,303	1,738	(25.03)%

### 5. Financial assets and financial liabilities

An overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021 is set out below:

	Group		Company	
	30.06.2022 S\$'000	31.12.2021 S\$'000	30.06.2022 S\$'000	31.12.2021 S\$'000
<b>Financial assets</b>				
Financial assets measured at amortised cost	57,358	55,376	15,663	13,038
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	71,244	59,679	216	646

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
<b>Group</b>				
<b>30.06.2022</b>				
Short-term investments	-	1,771	-	1,771
<b>31.12.2021</b>				
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	
	30.06.2022 S\$'000	30.06.2021 S\$'000
Taxation charge for the financial period comprises:		
- Current financial period	800	667
- Deferred income tax (recognised)/expense relating to origination	(28)	27
	<u>772</u>	<u>694</u>

### 7. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$1,023,000 (1H2021: S\$1,002,000) and the value of assets disposed/written off was nil.

8 Share Capital

	Group and Company			
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	Number of ordinary shares			
	'000	'000	S\$'000	S\$'000
<b>Issued and paid-up:</b>				
At the beginning of interim period	580,192	496,859	63,416	58,591
-Issue of ordinary shares	50,000	83,333	3,527	4,825
At the end of interim period	<u>630,192</u>	<u>580,192</u>	<u>66,943</u>	<u>63,416</u>

There were no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

## 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 issues 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.

### Issuance of Warrants and increase in share capital of the Company

During 1H2022, the Company issued 50,000,000 ordinary shares and 40,500,000 Warrants following the completion of acquisition of Edison Motors Co., Ltd.

Date of grant of Warrants	Exercise price per share	Granted during the financial period	Balance as at 30.06.2022	Exercise period
30.03.2022 <sup>(1)</sup>	S\$0.07054	40,500,000	40,500,000	(a) In respect of 13,500,000 Warrants, they can be exercised commencing on the first (1 <sup>st</sup> ) anniversary, 30.03.2023 to 29.03.2027; (b) In respect of 13,500,000 Warrants, they can be exercised commencing on the second (2 <sup>nd</sup> ) anniversary, 30.03.2024 to 29.03.2027; (c) In respect of 13,500,000 Warrants, they can be exercised commencing on the third (3 <sup>rd</sup> ) anniversary, 30.03.2025 to 29.03.2027;

### 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 1H2022, 5,000,000 share options were granted under the GEL Scheme and there were 10,200,000 (1H2021: 1,150,000) share options lapsed under GEL Scheme.

The movement of share options of the Company during the financial period 1H2022 are as follows:

Date of grant of options	Exercise price per share	Number of options					Balance as at 30.06.2021	Exercise period
		Balance as at 01.01.2022	Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period	Balance as at 30.06.2022		
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	15,123,000	-	-	-	15,123,000	16,073,000	23.02.2020 to 22.02.2023
09.03.2022 <sup>(2)(3)</sup>	S\$0.05664	-	5,000,000	-	-	5,000,000	-	09.03.2024 to 09.03.2027
<b>Total</b>		<b>25,323,000</b>	<b>5,000,000</b>	<b>-</b>	<b>(10,200,000)</b>	<b>20,123,000</b>	<b>26,273,000</b>	

Save as disclosed above, there were no other outstanding options and convertibles as at 30 June 2022 and 30 June 2021.

As at 30 June 2022, the number of shares that may be issued on conversion of all the outstanding convertibles was 30,623,000 (30 Jun 2021: 26,273,000) which represented approximately 9.62% (30 June 2021: 5.29%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

Note:

<sup>(1)</sup> Announcement in relation to the issue of Warrants upon completion of the acquisition of Edison Motors Co., Ltd, dated 30 March 2022 can be found at URL: [https://links.sgx.com/FileOpen/SGX-GSSEL-ANNOUNCEMENT\\_COMPLETION.ashx?App=Announcement&FileID=709092](https://links.sgx.com/FileOpen/SGX-GSSEL-ANNOUNCEMENT_COMPLETION.ashx?App=Announcement&FileID=709092)

<sup>(2)</sup> Announcement in relation to the grant of share options, dated 10 March 2022 can be found at URL: [https://links.sgx.com/FileOpen/SGX-GSSEL-ANNOUNCEMENT\\_COMPLETION.ashx?App=Announcement&FileID=709092](https://links.sgx.com/FileOpen/SGX-GSSEL-ANNOUNCEMENT_COMPLETION.ashx?App=Announcement&FileID=709092)

<sup>(3)</sup> The Company had on 10 March 2022, announced the grant of 6,000,000 employee share options to eligible persons under the GSS Energy Limited Executives Share Option Scheme. Eventually, there were only 5,000,000 employee share options which were granted.

- 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	
	30 June 2022	31 Dec 2021
Total number of issued shares (excluding treasury shares)	630,191,957	580,191,957

- 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, please provide the auditors' report (including any modifications or emphasis of a 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	
	1H2022 S'pore cents	1H2021 S'pore cents
Earnings per ordinary share for the period:		
a) Based on weighted average number of shares in issue during the period	0.22	0.36
Weighted average number of ordinary shares	606,025,290	496,839,426
b) On a fully diluted basis	0.36	0.36
Adjusted weighted average number of ordinary shares	611,025,290	496,839,426

55,623,000 warrants and share options (out of total of 60,623,000) were not included in the computation of diluted earnings per ordinary share for 1H2022 and 1H2021 as the average market prices during the period were below the exercise prices, thus rendering the potential ordinary shares anti-dilutive (1H2021 comparative - 26,273,000).

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	
	30 June 2022 S'pore cents	31 December 2021 S'pore cents	30 June 2022 S'pore cents	31 December 2021 S'pore cents
Net assets value per ordinary share (S'pore cents)	11.23	11.22	5.48	5.42

The net assets value per share for the period ended 30 June 2022 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 630,191,957 ordinary shares (31 December 2021: 580,191,957 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 effected 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\$67.01 million during 1H2022, an increase of 14.46% from S\$58.55 million in 1H2021. On the back of stronger orders from existing customers, despite post-pandemic challenges and fallout from the war between Ukraine and Russia. The surge in the turnover of Mechanisms segment was driven by the demand for products supplied under PE such as grooming products, consumer lifestyle and garment care. In the Microshafts segment, turnover recorded for both financial periods were similar. Nevertheless, there was a dip in the demand from China market due to Covid-19 pandemic continuing to prevail in the country where stricter measures were imposed by the Chinese government to curb spreading of the virus.
- (iii) The Group's gross margin of 14.69% for 1H2022 is a marginal decline from 15.85% in 1H2021. Electronic components continue to remain in high demand whilst supply is tight although the situation has improved compared to 1H2021. Other notable factors contributing to the increasing cost of sales (S\$57.17 million in 1H2022 from S\$49.27 million in 1H2021 (in increase of 16.04%)) include higher operating costs such as manpower, electricity & water, and rental rates continuing to rise in the locations where the factories of the Group are operating.
- (iv) The Group's other income of S\$0.68 million for 1H2022 as compared to S\$0.43 million in 1H2021 was due to the grant assistance provided by Singapore authorities toward product development and gain on foreign exchange resulted from strengthening of United States Dollars against other currencies.
- (v) Interest income for 1H2022 was S\$0.01 million, compared to S\$0.06 million in 1H2021. The decrease in interest income was in line with lower amount placed as the short-term financial assets.
- (vi) Total selling and administrative expenses for 1H2022 was S\$7.93 million. Expenses relating to new share options were recognised over vesting periods since the date of grant in 1H2022.
- (vii) Finance costs for 1H2022 was S\$0.54 million, compared to S\$0.20 million in 1H2021. The increase was due to the higher drawdown of loan facilities to finance working capital requirements. The borrowing cost compared to the corresponding period in 1H2021 has gone up following the interest rate adjustment across various financial institutions.
- (viii) Income tax expenses for 1H2022 was S\$0.77 million, compared to S\$0.69 million in 1H2021. The increase in taxation charge for 1H2022 was due to profit recorded at profit-making business units subject to higher interest rate, and was partially offset with deferred income tax arising from the Group's China subsidiary. The Group's income tax expense is provided based on the statutory tax rates of the respective countries that the Group operates in.
- (ix) The higher amortisation of right-of-use assets for 1H2022 as compared to 1H2021 was mainly attributable to addition of new machines in Batam factories to expand capacity and enhance machining capabilities.
- (x) The Group recorded a net foreign exchange gain of S\$0.17 million for 1H2022, compared to net foreign exchange gain of S\$0.06 million for 1H2021. This is due to higher exchange rate of United States Dollars against other currencies. Customer receipts of the Group are mainly in United States Dollars.
- (xi) Inventory obsolescence allowance was recognized at S\$2,000 as those inventories have no more realizable value.
- (xii) The Group operating profit recorded S\$2.59 million for 1H2022 (1H2021: S\$2.57 million). Mechanism segment achieved higher profit of S\$2.50 million (1H2021: S\$2.20 million) while Microshafts segment recorded a lower profit S\$0.62 million (1H2021: S\$0.80 million) compared to 1H2021. The operating results were mainly driven by customers orders in the respective segments. Both segments are in the contract manufacturing business and the respective operations are similar, except that the products offered are different for each segment.

### Consolidated Interim Statements of Financial Position

- 8 (xiii) Intangible assets comprise computer software. The increase resulted mainly from the acquisition of Edison Motors Co., Ltd., and partially offset with amortisation in accordance with accounting policy.
- (xiv) Right-of-use assets as at 30 June 2022 amounted to S\$9.69 million, an increase of S\$3.96 million from 31 December 2021. There is S\$4.59 million worth of machineries being added to the production lines in its factory in Batam, Indonesia to meet with its customer increased sales orders, and as a solution to replace its aged machineries in stages.
- (xv) Additional S\$7.54 million of goodwill arose from the completion of acquisition of Edison Motors Co., Ltd. The Group has engaged an independent valuer to prepare the purchase price allocation ("PPA") valuation exercise in accordance with SFRS (I) - 3 Business Combinations. The initial accounting for the business combination is incomplete at the end of the reporting period. The Group has a measurement period of one year from the acquisition date to finalise the PPA valuation and goodwill arising from the acquisition, the carrying amount of any intangibles to be identified, deferred tax liability and amortisation of the intangibles will be adjusted accordingly upon finalisation of the PPA valuation.
- (xvi) Deferred tax assets as at 30 June 2022 amounted to S\$0.07 million. The increase was due to recognition of losses arising from the Group's China subsidiary, to the extent of the existing taxable temporary difference.
- (xvii) Trade receivables as at 30 June 2022 was S\$30.76 million. The increase is in line with Group revenue. Customers have been able to pay promptly and there have been no change in credit term.
- (xviii) Other receivables and deposits as at 30 June 2022 amounted to S\$8.16 million, an increase of S\$1.62 million from 31 December 2021. This was mainly attributable to upfront payment paid to suppliers and supplies waiting to be received.
- (xix) As at 30 June 2022, the Group's China subsidiary had a net placement of S\$1.77 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 operation.
- (xx) The other payables and accruals as at 30 June 2022 was S\$11.99 million. There was an increase of S\$3.45 million from 31 December 2021 mainly attributable to the remaining cash consideration payable for the acquisition of Edison Motors Co., Ltd that will be settled in two more tranches according to the timeline stated in the sales and purchase agreement, amounting to S\$2.50 million.
- (xxi) Loan and borrowings as at 30 June 2022 was S\$24.07 million, an increase of S\$5.58 million from 31 December 2021. They are meant to be short term to bridge the gap between material purchase and customer receipt. The drawdown of the loan facility is in accordance with customers' forecasted sales and cash flows of the Company.
- (xxii) Prepayment as at 30 June 2022 was S\$0.29 million, a marginal increase of S\$0.06 million from 31 December 2021. Prepaid expenses such as insurance premium, office rentals, professional services and licensing, were incurred for the purpose of business operations.
- (xxiii) Lease liabilities (both current and non-current) as at 30 June 2022 was S\$7.44 million. There was an increase of S\$2.32 million from 31 December 2021 which includes S\$3.20 million for purchasing new machineries, and partially offset by repayment of lease liabilities.
- (xxiv) The net assets of the Group as at 30 June 2022 was S\$70.75 million. Net assets per share as at 30 June 2022 was S\$0.1123.

### Consolidated Statement of Cash Flows

- (xxv) The Group incurred a net operating cash outflow of S\$2.25 million for 1H2022 due to higher sales recorded toward the end of 1H2022, advances paid to suppliers for the purchase of materials and acquiring new machineries which are deployed in the Batam factory in Indonesia.
- (xxvi) Net cash used in investing activities during the period was S\$4.17 million. This includes S\$1.02 million for acquiring machines and equipment, net placement of S\$1.77 million for additional short-term investments, and S\$1.37 million for acquisition of a subsidiary in Thailand (Edison Motors Co., Ltd) to drive its Electric Vehicle development.
- (xxvii) Net cash generated from financing activities amounted to S\$3.56 million for 1H2022. This included proceeds of S\$50.45 million from loan and borrowings, and was offset by S\$2.54 million for repayment of obligations under lease liabilities arising from right-of-use assets and S\$44.35 million for repayment of loan and borrowings.
- (xxviii) Net cash and cash equivalents as at 30 June 2022 stood at S\$12.94 million, a decrease of S\$2.80 million from 31 December 2021.

### 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 maintains a remaining non-operational interest in oil and gas operation in Indonesia. In the O&G business, the associate P.T. Sarana GSS Trembul is still waiting for a formal oil and gas concession extension from PT Pertamina following its expiration in February 2022. The associate had breached the terms and condition of the Operation Cooperation Agreement ("OCA") dated 2 November 2016 and the Indonesian state-owned entity has the right to terminate the OCA. The Group is kept abreast of the developments and has been following up very closely in this regard. The associate has been engaging with PT Pertamina to discuss workplan and budget, production schedule toward gas monetization and exploratory concession extension matters till date. Please also refer to the disclosure on page 115 of the Company's Annual Report for the financial year ended 31 December 2021 in Note 19 to the Financial Statements.

The Group continues to operate in the PE and EV sectors.

In March 2022, the Company's wholly owned subsidiary company, Giken Mobility Pte. Ltd., completed the acquisition of Edison Motors Co., Ltd, an Thailand, entity to intensify and synergize with the Group's capability in 2-wheeler electric vehicles ("EV") development. While the homologation and regulatory permits are being processed, the Group is also engaged in discussion with distributors (pending for finalisation) relating to marketing campaign, penetration strategy, EV bikes specification and retail price in targeted countries.

With the easing of travelling restrictions, our marketing efforts are progressing and potential or existing clients are able to visit our factories in various locations. The Group continues to grow its Original Equipment Manufacturing ("OEM") and Original Design Manufacturing ("ODM") businesses, and to pursue new investments in a prudent manner. For the foreseeable future, supply chain disruption and geopolitical risks and inflation challenges are among the biggest challenges impacting the manufacturing industry. The Group is mindful of these factors and endeavour to mitigate impacts caused to the operations.

### 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 and the reason(s) 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)**

Save for the potential adjustments which may be required by the PPA valuation exercise as described in Note 8 (xv) above, 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 for the half year ended 30 June 2022 to be false or misleading in any material aspect.

15 **Additional information pursuant to Rule 706A**

Please refer to announcement dated 13 August 2022.

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.**

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

Use of Proceeds	Amount	Amount utilised as	Balance
	allocated	at the date of this	
	S\$'000	announcement	S\$'000
		S\$'000	S\$'000
Financing the Group's business expansion (such as the expansion into the e-mobility business to design and develop electric 2-wheelers and other related electric vehicle technologies)	3,868	2,500 <sup>(1)(2)</sup>	1,368
General Working capital of the Group (eg. operational expenses and general administrative expenses)	967	470 <sup>(3)</sup>	497
Total	4,835	2,970	1,865

**Notes:**

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

(2) S\$1,500,000 had been disbursed as cash consideration following the completion of proposed acquisition of 100% of the share capital of Edison Motors Co., Ltd. Please refer to the Company's announcements dated 19 November 2021, 24 March 2022 and 30 March 2022.

(3) 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 equipment.

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

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**

**Anthony Kuek**  
Chairman

Date 13 August 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 ("SGX-ST") and 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 announcement.*

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