



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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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

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

	Group		Change in %
	1H2021 <sup>1</sup> (S\$'000)	1H2020 <sup>2</sup> (S\$'000)	
<b>Revenue</b>			
PE	58,545	42,955	36.29%
O&G	-	-	NM
Group	<b>58,545</b>	<b>42,955</b>	<b>36.29%</b>
<b>Cost of sales</b>			
PE	(49,266)	(34,365)	43.36%
O&G	-	-	NM
Group	<b>(49,266)</b>	<b>(34,365)</b>	<b>43.36%</b>
<b>Gross profit</b>			
PE	9,279	8,590	8.02%
O&G	-	-	NM
Group	<b>9,279</b>	<b>8,590</b>	<b>8.02%</b>
<b>Other items of income</b>			
Other income			
PE	377	625	(39.68)%
O&G	-	-	NM
Group	<b>377</b>	<b>625</b>	<b>(39.68)%</b>
<b>Other items of expenses</b>			
Distribution and selling expenses			
PE	(5,176)	(4,475)	15.66%
O&G	-	-	NM
Group	<b>(5,176)</b>	<b>(4,475)</b>	<b>15.66%</b>
Administration expenses			
PE	(1,536)	(1,526)	0.66%
O&G	(3)	(3)	0.00%
Group	<b>(1,539)</b>	<b>(1,529)</b>	<b>0.65%</b>
Other operating expenses			
PE	-	(1)	(100.00)%
O&G	-	-	NM
Group	<b>-</b>	<b>(1)</b>	<b>(100.00)%</b>
<b>Profit from operations before net foreign exchange</b>			
PE	2,944	3,213	(8.37)%
O&G	(3)	(3)	0.00%
Group	<b>2,941</b>	<b>3,210</b>	<b>(8.38)%</b>
Foreign exchange gain/(loss), net	55	(156)	NM
<b>Profit from operations after net foreign exchange</b>	<b>2,996</b>	<b>3,054</b>	<b>(1.90)%</b>
Corporate Expenses	(422)	(694)	(39.19)%
Finance income	56	33	69.70%
Finance costs	(198)	(126)	57.14%
<b>Profit before income tax</b>	<b>2,432</b>	<b>2,267</b>	<b>7.28%</b>
Income tax expense	(694)	(816)	(14.95)%
<b>Profit for the financial period</b>	<b>1,738</b>	<b>1,451</b>	<b>19.78%</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translating of foreign operations	941	1,141	(17.53)%
<b>Other comprehensive income for the financial period, net of tax</b>	<b>941</b>	<b>1,141</b>	<b>(17.53)%</b>
<b>Total comprehensive income for the financial period</b>	<b>2,679</b>	<b>2,592</b>	<b>3.36%</b>
<b>Profit attributable to:-</b>			
Owners of the parent	1,799	1,642	9.56%
Non-controlling interests	(61)	(191)	(68.06)%
	<b>1,738</b>	<b>1,451</b>	<b>19.78%</b>
<b>Total comprehensive income attributable to:-</b>			
Owners of the parent	2,742	2,806	(2.28)%
Non-controlling interests	(63)	(214)	(70.56)%
	<b>2,679</b>	<b>2,592</b>	<b>3.36%</b>

1 (a) (ii) Other information

	1H2021 <sup>1</sup> (S\$'000)	Group 1H2020 <sup>2</sup> (S\$'000)	Change in %
Finance income	56	33	69.70%
Finance cost	(198)	(126)	57.14%
Amortisation of intangible assets	(2)	(10)	(80.00)%
Amortisation of land use rights	(27)	(27)	0.00%
Depreciation of property, plant and equipment	(1,339)	(1,210)	10.66%
Amortisation of right-of-use assets	(661)	(650)	1.69%
Foreign exchange gain/(loss), net	55	(156)	NM
Gain on disposal of property, plant and equipment	15	8	87.50%
Share option expenses	-	(116)	(100.00)%

Notes

<sup>1</sup> "1H2021": Period from 1 Jan 2021 to 30 Jun 2021

<sup>2</sup> "1H2020": Period from 1 Jan 2020 to 30 Jun 2020

<sup>3</sup> "Group": GSS Energy Limited together with its subsidiaries

<sup>4</sup> "PE": Precision Engineering Business

<sup>5</sup> "O&G": Oil and Gas Business

<sup>6</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		
	30.06.2021	31.12.2020	Change in	30.06.2021	31.12.2020	Change in
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	25,640	24,564	4.38%	-	-	NM
Intangible assets	10	13	(23.08)%	-	-	NM
Land use rights	1,384	1,373	0.80%	-	-	NM
Right-of-use assets	1,110	1,658	(33.05)%	-	-	NM
Investment in subsidiaries	-	-	NM	16,263	16,263	0.00%
Investment in an associated company	2,763	2,763	0.00%	2,791	2,791	0.00%
Goodwill	112	112	0.00%	-	-	NM
Deferred tax assets	11	37	(70.27)%	-	-	NM
Due from an associated company	9,392	9,392	0.00%	9,392	9,392	0.00%
Due from subsidiaries	-	-	NM	9	5	80.00%
	<u>40,422</u>	<u>39,912</u>	1.28%	<u>28,455</u>	<u>28,451</u>	0.01%
<b>Current assets</b>						
Inventories	22,910	14,648	56.40%	-	-	NM
Trade receivables	34,848	37,969	(8.22)%	-	-	NM
Other receivables and deposits	3,440	3,073	11.94%	6	7	(14.29)%
Prepayment	255	199	28.14%	9	11	(18.18)%
Amount due from a related company	284	282	0.71%	-	-	NM
Short-term investments	2,520	608	>100.00%	-	-	NM
Cash and cash equivalents	6,349	7,064	(10.12)%	157	6	>100.00%
	<u>70,606</u>	<u>63,843</u>	10.59%	<u>172</u>	<u>24</u>	>100.00%
<b>Total assets</b>	<u>111,028</u>	<u>103,755</u>	7.01%	<u>28,627</u>	<u>28,475</u>	0.53%
<b>EQUITY AND LIABILITIES</b>						
<b>Current liabilities</b>						
Trade payables	21,926	20,681	6.02%	-	-	NM
Other payables and accruals	7,949	9,373	(15.19)%	200	260	(23.08)%
Due to a subsidiary	-	-	NM	1,402	828	69.32%
Current income tax payable	1,351	1,163	16.17%	-	-	NM
Lease liabilities	1,085	1,133	(4.24)%	-	-	NM
Loan and borrowings	12,381	8,807	40.58%	-	-	NM
	<u>44,692</u>	<u>41,157</u>	8.59%	<u>1,602</u>	<u>1,088</u>	47.24%
<b>Net current assets/(liabilities)</b>	<u>25,914</u>	<u>22,686</u>	14.23%	<u>(1,430)</u>	<u>(1,064)</u>	34.40%
<b>Non-current liabilities</b>						
Lease liabilities	1,207	617	95.62%	-	-	NM
Other payables	1,750	1,658	5.55%	-	-	NM
Loan and borrowings	4,756	4,382	8.53%	-	-	NM
Retirement benefit obligations	1,843	1,840	0.16%	-	-	NM
Deferred tax liability	108	108	0.00%	-	-	NM
	<u>9,664</u>	<u>8,605</u>	12.31%	<u>-</u>	<u>-</u>	NM
<b>Total liabilities</b>	<u>54,356</u>	<u>49,762</u>	9.23%	<u>1,602</u>	<u>1,088</u>	47.24%
<b>Net assets</b>	<u>56,672</u>	<u>53,993</u>	4.96%	<u>27,025</u>	<u>27,387</u>	(1.32)%
<b>Equity attributable to owners of the parent</b>						
Share capital	58,591	58,591	0.00%	58,591	58,591	0.00%
Accumulated losses	(6,511)	(8,310)	(21.65)%	(35,290)	(34,928)	1.04%
Other reserves	5,773	4,830	19.52%	3,724	3,724	0.00%
	<u>57,853</u>	<u>55,111</u>	4.98%	<u>27,025</u>	<u>27,387</u>	(1.32)%
<b>Non-controlling interests</b>	<u>(1,181)</u>	<u>(1,118)</u>	5.64%	<u>-</u>	<u>-</u>	NM
<b>Total equity</b>	<u>56,672</u>	<u>53,993</u>	4.96%	<u>27,025</u>	<u>27,387</u>	(1.32)%
<b>Total equity and liabilities</b>	<u>111,028</u>	<u>103,755</u>	7.01%	<u>28,627</u>	<u>28,475</u>	0.53%

- 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 30.06.2021		As at 31.12.2020	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
12,381	-	8,807	-

**Amount repayable after one year**

As at 30.06.2021		As at 31.12.2020	
Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
4,756	-	4,382	-

**Note:**

**Details of any collateral**

- (i) The short-term bank loan and invoice financing of a subsidiary company is secured by corporate guarantee of the Company.  
(ii) A subsidiary in Singapore obtained a term loan for working capital requirements. The Singapore Government has provided 90% risk-share on this loan.

- 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	
	1H2021 <sup>1</sup> (S\$'000)	1H2020 <sup>2</sup> (S\$'000)
<b>Operating activities</b>		
Profit before income tax	2,432	2,267
Adjustments for:		
Amortisation of intangible assets	2	10
Amortisation of land use rights	27	27
Amortisation of right-of-use assets	661	650
Depreciation of property, plant and equipment	1,339	1,210
Gain on disposal of property, plant and equipment	(15)	(8)
Finance costs	198	126
Finance income	(56)	(33)
Share option expenses	-	(116)
<b>Operating cash flows before working capital changes</b>	<b>4,573</b>	<b>4,125</b>
<b>Working capital changes</b>		
Inventories	(7,939)	(2,771)
Trade receivables	3,717	(1,829)
Other receivables and deposits	(101)	214
Prepayments	(55)	56
Due from a related company	-	(98)
Trade payables	844	5,162
Other payables and accruals	(1,584)	(2,261)
<b>Cash (used in)/generated from operations</b>	<b>(545)</b>	<b>2,598</b>
Interest received	56	33
Interest paid	(171)	(93)
Income tax paid	(483)	(418)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,143)</b>	<b>2,120</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,002)	(2,370)
Proceeds from disposal of property, plant and equipment	21	8
Addition to short-term investments	(4,957)	(3,754)
Proceed from short-term investments	3,088	2,569
<b>Net cash used in investing activities</b>	<b>(2,850)</b>	<b>(3,547)</b>
<b>Financing activities</b>		
Decrease in bank deposit pledged	-	337
Proceeds from bank loans	27,770	12,198
Proceeds from issue of ordinary shares	-	69
Repayment of bank loans	(24,047)	(10,219)
Repayments of principal of lease liabilities	(634)	(695)
<b>Net cash generated from financing activities</b>	<b>3,089</b>	<b>1,690</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	<i>(904)</i>	<i>263</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>174</i>	<i>209</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>7,064</i>	<i>7,251</i>
<b>Cash and cash equivalents at end of the period</b>	<b>6,334</b>	<b>7,723</b>

**Notes**

<sup>1</sup> "1H2021": Period from 1 Jan 2021 to 30 Jun 2021

<sup>2</sup> "1H2020": Period from 1 Jan 2020 to 30 Jun 2020

- 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 2021

	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
<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
Other comprehensive income for the financial period	-	-	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
Balance at 1 January 2020	58,522	1,282	(1,126)	3,608	(13,768)	132	48,650	(739)	47,911
Net loss for the financial period	-	-	-	-	1,642	-	1,642	(191)	1,451
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	1,164	-	-	-	1,164	(23)	1,141
Other comprehensive income for the financial period	-	-	1,164	-	-	-	1,164	(23)	1,141
Total comprehensive income for the financial period	-	-	1,164	-	1,642	-	2,806	(214)	2,592
Contributions by owners									
Issue of share capital in relation to share option	69	-	-	-	-	-	69	-	69
Total Contributions by owners	69	-	-	-	-	-	69	-	69
Others									
Share option expense	-	-	-	(116)	-	-	(116)	-	(116)
Total Others	-	-	-	(116)	-	-	(116)	-	(116)
Balance at 30 June 2020	58,591	1,282	38	3,492	(12,126)	132	51,409	(953)	50,456

Condensed Interim Statements of Changes in Equity for Half Year ended 30 June 2021 (cont'd)

	Share capital	Share option reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>				
Balance at 1 January 2021	58,591	3,724	(34,928)	27,387
Loss for the financial period	-	-	(362)	(362)
Total comprehensive income for the financial period	-	-	(362)	(362)
Balance at 30 June 2021	58,591	3,724	(35,290)	27,025
Balance at 1 January 2020	58,522	3,608	(33,806)	28,324
Loss for the financial period	-	-	(585)	(585)
Total comprehensive income for the financial period	-	-	(585)	(585)
Issue of share capital in relation to share option	69	-	-	69
Share option expenses	-	116	-	116
Balance at 30 June 2020	58,591	3,724	(34,391)	27,924

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. Corporate Information

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

The principal activities of the Group are:

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

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

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

#### 2.2 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3. Seasonal operations

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

### 4. Segment and revenue information

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

The Group has three reportable segments, being Mechanisms, Microshafts and Oil extraction.

#### 4.1 Reportable segments

	Mechanisms S\$'000	Microshafts S\$'000	Oil extraction S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
<b>1H2021</b>						
<b>Revenue</b>						
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
<b>Results</b>						
Operating profit/(loss)	2,135	800	-	(422)	-	2,513
Interest income						56
Interest expense						(198)
Share of losses of associate						-
Income tax expenses						(694)
Non-controlling interests						61
Net profit/(loss)						<b>1,738</b>
<b>30.06.2021</b>						
<b>Segment assets and liabilities</b>						
Segment assets	75,189	23,513	12,154	172	-	111,028
Segment liabilities	46,798	7,358	-	200	-	54,356

## Notes to the Condensed Interim Consolidated Financial Statements

### 4.1 Reportable segments (cont'd)

	Mechanisms S\$'000	Microshafts S\$'000	Oil extraction S\$'000	Unallocated segment S\$'000	Eliminations S\$'000	Group S\$'000
<b>1H2021</b>						
<b>Other segment information</b>						
Capital expenditure	(2,103)	(77)	-	-	-	(2,180)
Depreciation and amortisation	(1,448)	(599)	-	-	-	(2,047)
Net foreign exchange gain	102	(47)	-	-	-	55

### 1H2020

#### Revenue

External customers	33,350	9,605	-	-	-	42,955
Intersegment revenues	8,002	587	-	-	(8,589)	-
Total revenue	41,352	10,192	-	-	(8,589)	42,955

#### Results

Operating profit/(loss)	1,451	1,411	-	(693)	-	2,169
Interest income						33
Interest expense						(126)
Share of losses of associate						-
Income tax expenses						(816)
Non-controlling interests						191
Net profit/(loss)						<u>1,451</u>

### 31.12.2020

#### Segment assets and liabilities

Segment assets	68,048	23,528	12,155	24	-	103,755
Segment liabilities	43,136	6,366	-	260	-	49,762

### 1H2020

#### Other segment information

Capital expenditure	(2,179)	(191)				(2,370)
Depreciation and amortisation	(1,162)	(735)				(1,897)
Net foreign exchange loss	(289)	24	118	(9)	-	(156)

#### Geographical Segments

	Non-current assets		Group expenditure	
	30.06.2021 S\$'000	31.12.2020 S\$'000	30.06.2021 S\$'000	31.12.2020 S\$'000
Singapore	14,847	13,261	-	139
Indonesia	17,771	18,426	2,103	5,586
China	7,472	7,795	77	237
Other Countries	332	430	-	-
	<u>40,422</u>	<u>39,912</u>	<u>2,180</u>	<u>5,962</u>



## Notes to the Condensed Interim Consolidated Financial Statements

### 4.2 Disaggregation of revenue

Segments	Mechanisms		Microshafts		Total	
	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000
<i>Primary geographical markets</i>						
Singapore	6,286	5,263	1,495	1,031	7,781	6,294
Indonesia	36,317	23,288	488	301	36,805	23,589
Germany	14	2,004	979	657	993	2,661
China	3,643	2,060	3,703	3,357	7,346	5,417
Thailand	-	-	521	817	521	817
Malaysia	47	61	471	356	518	417
Others	659	674	3,922	3,086	4,581	3,760
	<u>46,966</u>	<u>33,350</u>	<u>11,579</u>	<u>9,605</u>	<u>58,545</u>	<u>42,955</u>
<i>Type of good or services</i>						
Sale of goods	42,775	28,657	11,579	9,605	54,354	38,262
Services rendered	4,191	4,693	-	-	4,191	4,693
	<u>46,966</u>	<u>33,350</u>	<u>11,579</u>	<u>9,605</u>	<u>58,545</u>	<u>42,955</u>
<i>Timing of transfer of goods and services</i>						
Point in time	46,966	33,350	11,579	9,605	58,545	42,955

### 5. Financial assets and financial liabilities

An overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020 is set out below:

	Group		Company	
	30.06.2021 S\$'000	31.12.2020 S\$'000	30.06.2021 S\$'000	31.12.2020 S\$'000
<b>Financial assets</b>				
Financial assets measured at amortised cost	51,230	55,157	9,564	9,406
Financial assets at FVTPL	2,520	608	-	-
	<u>53,750</u>	<u>55,765</u>	<u>9,564</u>	<u>9,406</u>
<b>Financial liabilities</b>				
Financial liabilities measured a amortised cost	51,054	46,583	1,602	1,088

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

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Group</b>				
<b>30.06.2021</b>				
Short-term investments	-	2,520	-	2,520
<b>31.12.2020</b>				
Short-term investments	-	608	-	608

### 6. Income tax expense

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

	Group	
	30.06.2021 S\$'000	30.06.2020 S\$'000
Taxation charge for the financial period comprises;		
- Current financial period	667	816
- Deferred income tax expense relating to origination and reversal of temporary differences	27	-
	<u>694</u>	<u>816</u>

## 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.

There was no change in the Company's share capital for the six months ended 30 June 2021

### Share options

The GSS Energy Limited Executives' Share Option Scheme (the "GEL Scheme") and GSS Energy Limited 2018 Executives' Share Option Scheme (the "GEL 2018 Scheme") were approved by the shareholders at the annual general meeting on 22 April 2016 and 23 April 2018, respectively. During 1H2021, 1,150,000 (1H2020: 700,000) share options lapsed under GEL Scheme, and no share options were granted or exercised during the period under GEL Scheme and GEL 2018 Scheme. As at 30 June 2021, the number of shares that may be issued on conversion of all the outstanding share options was 26,273,000 (30 Jun 2020: 27,423,000) which represented approximately 5.29% (30 June 2020: 5.52%) of the total issued shares excluding treasury shares and subsidiary holdings.

The movement of share options of the Company during the financial period 1H2021 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.01.2021	Number of options			Balance as at 30.06.2021	Balance as at 30.06.2020	Exercise period
			Granted during the financial period	Exercised during the financial period	Cancelled/ lapsed during the financial period			
27.02.2017	S\$0.09856	10,200,000	-	-	-	10,200,000	10,200,000	28.02.2019 to 27.02.2022
23.02.2018	S\$0.12512	1,150,000	-	-	(1,150,000)	-	1,150,000	23.02.2020 to 22.02.2021
23.02.2018	S\$0.12512	16,073,000	-	-	-	16,073,000	16,073,000	23.02.2020 to 22.02.2023
Total		<u>27,423,000</u>	<u>-</u>	<u>-</u>	<u>(1,150,000)</u>	<u>26,273,000</u>	<u>27,423,000</u>	

Save as disclosed above, there were no other outstanding options and convertibles as at 30 June 2021 and 30 June 2020.

There were also no treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

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

	Company	
	30 June 2021	31 Dec 2020
Total number of issued shares (excluding treasury shares)	496,858,657	496,858,657

- 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	
	1H2021 S'pore cents	1H2020 S'pore cents
Earnings per ordinary share for the period:		
a) Based on weighted average number of shares in issue during the period	0.36	0.33
Weighted average number of ordinary shares	496,858,657	496,839,426
b) On a fully diluted basis	0.36	0.33
Adjusted weighted average number of ordinary shares	496,858,657	496,839,426

The diluted earnings per ordinary share for 1H2021 and 1H2020 are the same as the basic earnings per share as the potential ordinary shares are anti-dilutive because the average market prices during the respective periods were below the respective exercise prices.

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 2021 S'pore cents	31 December 2020 S'pore cents	30 June 2021 S'pore cents	31 December 2020 S'pore cents
Net assets value per ordinary share (S'pore cents)	11.64	11.09	5.44	5.51
Net tangible assets value per ordinary share (S'pore cents)	11.12	10.46	5.44	5.51

The net assets/net tangible assets value per share for the period ended 30 June 2021 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 496,858,657 ordinary shares (31 December 2020: 496,858,657 ordinary shares).

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the (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 retains remaining non-operational interest in oil and gas services business ("O&G").

**Consolidated Income Statement**

- (ii) The Group recorded a higher revenue of S\$58.55 million during 1H2021, an increase of 36.29% from S\$42.96 million in 1H2020. The COVID-19 pandemic has accelerated the use of electronics and electric consumer goods and devices at home. The use of such electronic goods and devices has led to a surge in demand of goods by our customers. Electronic parts that the Group supplies under its PE businesses are used mainly in garment care, consumer lifestyle and grooming products.
- (iii) The Group's gross margin of 15.85% for 1H2021 declined from 20.00% in 1H2020. The decrease in margin was brought about by higher costs associated with supply chain disruptions affecting deliveries and causing supply shortages, resulting in an increase in prices for inputs and materials in our production lines.
- (iv) The Group's other income of S\$0.38 million for 1H2021 as compared to S\$0.63 million in 1H2020 was due to the gradual reduction of grant assistance provided by Singapore authorities in the early months of the COVID-19 pandemic.
- (v) Total selling and administration expenses for 1H2021 was S\$6.72 million, as compared to S\$6.00 million for 1H2020 due to higher transportation freight costs and the use of more costly alternative transport mode to meet delivery timelines. The Group continues to manage its business operations and costs in a cautious manner while ensuring minimal disruption during the COVID-19 pandemic.
- (vi) The Group recorded a net foreign exchange gain of S\$0.06 million for 1H2021, compared to net foreign exchange loss of S\$0.16 million for 1H2020. This is mainly due to a more stable United States Dollars exchange rate in 1H2021.
- (vii) Corporate expenses for 1H2021 were S\$0.42 million, compared to S\$0.69 million in 1H2020. The decrease in corporate expenses was mainly due to share option expenses relating to the GEL Scheme and GEL 2018 Scheme being fully amortised in the accounting of the Group.
- (viii) Finance income for 1H2021 was S\$0.06 million, compared to S\$0.03 million in 1H2020. The increase in finance income was due to higher returns from short term placements of larger amount of deposits.
- (ix) Finance cost for 1H2021 was S\$0.20 million, compared to S\$0.13 million in 1H2020. The increase was due to the drawdown of loan facilities to finance working capital requirements.
- (x) The Group recorded a net gain after tax of S\$1.74 million for 1H2021. The Group achieved a net profit after tax of S\$2.16 million (S\$2.04 million for 1H2020) for the PE business, which was offset by corporate expenses of S\$0.42 million (S\$0.69 million for 1H2020).
- (xi) Income tax expenses for 1H2021 was S\$0.69 million, compared to S\$0.82 million in 1H2020. The Group's income tax expense is provided based on the statutory tax rates of the respective countries that the Group operates in. The decrease was due to overseas subsidiaries' higher profits recorded in 1H2020, which are subject to higher income tax rates.
- (xii) The higher depreciation for 1H2021 as compared to 1H2020 was mainly attributable to addition of new machines in Batam factories to expand capacity and enhance machining capabilities.

### Consolidated Statement of Financial Position

- 8 (xiii) Property, plant and equipment as at 30 June 2021 amounted to S\$25.64 million. This was an increase of S\$1.08 million from 31 December 2020, which included S\$2.09 million for acquisition of machineries and equipments, and was partially offset by depreciation for the period.
- (xiv) Right-of-use assets as at 30 June 2021 amounted to S\$1.10 million. The decrease was due to amortisation.
- (xv) Deferred tax assets as at 30 June 2021 amounted to S\$0.01 million. Income tax expense of a subsidiary was partially offset by S\$0.03 million for its taxable profit during the period.
- (xvi) Inventories as at 30 June 2021 amounted to S\$22.91 million, an increase of S\$8.26 million from 31 December 2020. The COVID-19 pandemic has caused significant supply chain disruptions which necessitates the planning of longer lead times to secure timely arrival of inputs and materials and the shipments of outputs to our customers.
- (xvii) Trade receivables and trade payables as at 30 June 2021 was S\$34.80 million and S\$21.93 million, respectively. This was an increase of S\$3.12 million for trade receivables and S\$1.25 million for trade payables from 31 December 2020, due mainly to higher PE sales and material purchases to meet higher sales order forecast.
- (xviii) Other receivables and deposits at 30 June 2021 amounted to S\$3.44 million, an increase of S\$0.37 million from 31 December 2020. This was mainly attributable to upfront payment associated with electric bike development.
- (xix) Prepayment as at 30 June 2021 was S\$0.26 million. This is an increase of S\$0.06 million from 31 December 2020, due mainly to additional prepaid expenses made for operational purposes during 1H2021.
- (xx) Loan and borrowings as at 30 June 2021 was S\$17.14 million, an increase of S\$3.95 million from 31 December 2020 due to higher working capital requirements for higher inventory due to larger orders from customers and longer lead times required for inputs and materials to ensure timely production and delivery.
- (xxi) The other payables and accruals as at 30 June 2021 was S\$9.70 million. There was a decrease of S\$1.33 million from 31 December 2020 mainly attributable to instalment paid for land and construction of new factory building in Batam, Indonesia.
- (xxii) Lease liabilities (both current and non-current) as at 30 June 2021 was S\$2.29 million. There was an increase of S\$0.54 from 31 December 2021 which includes S\$0.81 million for purchasing new machineries, and partially offset by repayment of lease liabilities.
- (xxiii) Income tax payable as at 30 June 2021 was S\$1.35 million. There is an increase of S\$0.19 million from 31 December 2020 mainly attributable to tax provision for subsidiaries.
- (xxiv) The net assets of the Group as at 30 June 2021 was S\$56.67 million. Net assets per share as at 30 June 2021 was S\$0.1164.

### Consolidated Statement of Cash Flows

- (xxv) The Group incurred a net operating cash outflow of S\$1.14 million for 1H2021 due to the need to maintain a higher level of inventory for inputs and materials to meet increased orders from customers as well as longer lead times arising from supply chain vulnerabilities and escalating costs under COVID-19 conditions.
- (xxvi) Net cash used in investing activities during the period was S\$2.85 million. This includes S\$1.00 million for acquiring machines and equipment and S\$1.87 million for additional short-term investments.
- (xxvii) Net cash generated from financing activities amounted to S\$3.09 million for 1H2021. This included proceeds of S\$27.78 million from loan and borrowings, and was offset by S\$0.64 million for repayment of obligations under lease liabilities arising from right-of-use assets and S\$24.05 million for repayment of loan and borrowings.
- (xxviii) Net cash and cash equivalents as at 30 June 2021 stood at S\$6.35 million, a decrease of S\$0.72 million from 31 December 2020.

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

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.

The COVID-19 pandemic has affected global production and distribution of electronics and consumer electric goods, appliances and parts. We have been working closely with our key customers on a wide variety of their global branded products to accommodate their new business models in mitigating concerns of disruptions to global supply chains, logistic slowdowns, unavailability of workforce due to restriction measures, and demand from e-commerce companies for delivery of electronic and electrical consumer products and appliances.

We share our key customers' optimism on the strong demand of these goods given the additional time spent indoors, and strive to ensure small appliances and consumer electronics become more relevant to everyday life. Our efforts include participation in the design and innovative features of many of their products as part of our strategy to increase the value of our production and remain competitive.

We are progressing well on our electric 2-wheelers development. We are planning to roll out our first model of the bike by the end of 2021, provided that parts availability will not be adversely affected by global supply chain disruptions.

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.

- 11 **(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 is concerned with the impact of COVID-19 pandemic and uncertainties casted on the global economic outlook. It is the view of the Board at this point to conserve the Group's financial resources until there is greater visibility on the recovery of the global economy post COVID-19. Accordingly, the Board has decided not to recommend a dividend payment.
- 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 for the half year ended 30 June 2021 to be false or misleading in any material aspect.
- 15 **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.
- 16 **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.**  
No use of proceeds raised from IPO and any offerings for the period under review.

**BY ORDER OF THE BOARD**

**Ng Say Tiong**  
Company Secretary

**Date** 14 August 2021

*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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