GSTechnologies Ltd
Interim Results
Half-Year ended
30 September 2020

Interim Results First Half Financial Year 2020-21

GSTechnologies Ltd is pleased to announce the Company's reviewed interim results for the six months ended 30 September 2020 ("H1").

Period Highlights

- Revenue for H1 reduced to US$769,000 (H1 2019: US$2,594,000) due to the impact of the Covid-19 pandemic.

- Received grants and other income of approximately US$295,000 from government to mitigate the impacts of the Covid-19 lockdown.

- At 30 September 2020 the Company had US$1,789,000 of cash and cash equivalents (30 September 2019: US$398,000), after taking out a loan of US$1,842,000 during the period.

- Comprehensive loss for the period of US$412,000 (H1 2019: US$505,000 loss), with financial performance expected to recover in the second half as the Covid-19 related restrictions eased.

Post Period Highlights

- Grant of approximately US$200,000 awarded to EMS from Enterprise Singapore to develop a prototype liquid film cooling system for data centers.

- EMS secured a contract for the installation of an integrated security system in a Singapore data centre valued at approximately US$1 million.

- Subscription by a Singapore based investor group led by Jack Bai, a blockchain fintech specialist, raising £198,000.

- Appointment of Mr Bai GuoJin ("Jack Bai") and Mr Tan Guan Han, Shayne ("Shayne Tan") as Executive Directors of the Company to help facilitate the strategic transformation of the Company.

Chairman's Statement

Dear Shareholder,

I'm pleased to present on behalf of the Board of Directors (the "Board") of GSTechnologies Limited ("GST", the "Company", together with its subsidiaries, the "Group"), the Interim report of the Company for the six months ended 30 September 2020.

Board of Directors

Tone Goh, Executive Chairman

Raphael Teo, Director

Malcom Groat, Non-Executive Director

Following the successful completion of our financial year ended 31 March 2020, we almost immediately went into the Singapore government's mandatory 'Circuit Breaker' lockdown, due to the Covid-19 pandemic, and the associated restrictive measures applied by the Singapore Government and other countries around the globe did, unfortunately, negatively impact the business of our wholly owned Singapore based subsidiary, EMS Wiring Systems Pte Ltd ("EMS").

The Covid-19 pandemic has posed a serious challenge for our management team and the whole business at every level. I would like to take this opportunity to thank all of our employees, consultants and the management team for their hard work and dedication through these difficult times.

With the onset of the pandemic our top priority became the health and safety of our employees and customers. We also immediately implemented strict cost controls and cash preservation measures in order to run the business at a 'cash flow break even' position whilst the full impact of the new operating environment on our business was better calibrated. EMS also utilised appropriate Singapore Government Covid-19 related economic assistance and relief programmes.

The changes required in response to the pandemic were executed as planned and allowed a much stronger operating model to be implemented in record time. It included ensuring our essential services team was available to response rapidly as needs arose.

As seen globally, lockdown measures have accelerated changes in the online environment and working from home trends look set to continue. This has required EMS to be more creative in its ICT solution offerings. Our key management team have utilised their depth of knowledge of the market and products to quickly react to the transformation with the goal of maximising both profitability and long-term shareholder value.

For the six month period ended 30 September 2020, the Group generated revenue of US$769,000, a 70% decrease from $2,594,000 in H1 2019. With the government grant and other income of US$295,000, the net operating loss for period was US$561,000 (H1 2019: US$470,000).

Post the period end, sales picked up substantially in the last three months of 2020 as the worst effects of the pandemic reduced in Singapore. A particular highlight was the US$1 million contract EMS secured for the installation of an integrated security system in a Singapore data centre that was announced on 14 December 2020. We believe this contract highlights EMS' wide ranging capabilities and we look forward to securing further significant business in 2021.

Another highlight post the period end was the award of a grant to EMS valued at approximately US$200,000 from Enterprise Singapore, to develop a prototype liquid film cooling system for use in data centres. In Southeast Asia, in particular, due to the high ambient temperatures, significant issues are faced in providing air cooling for servers. Switching to a liquid cooled method eliminates the need for large and expensive chillers and reduces the amount of associated equipment, space and power required, while still providing more flexibility for housing the servers either inside or outside the conventional white space. By using EMS' liquid cooling method the Company believes it can help businesses manage the total cost of data centre and computing asset ownership by reducing the cost to provide and maintain a high degree of cooling efficiency. Once commercialised we believe this solution will be attractive to both new and existing data centre operators and EMS is well placed to provide both the solution, together with ongoing service, maintenance and training support.

Post period end we were delighted to secure a strategic investment from a group of investors led by Jack Bai and for Jack Bai and Shayne Tan to join the Company's board as Executive Directors. Both have significant fintech experience, particularly in relation to blockchain and we look forward to them bringing their considerable skills to GST as we seek to develop the business.

Summary

Despite the effects of the Covid-19 pandemic, we are confident that the business is well placed for the future. In particular the addition of Jack Bai and Shayne Tan to the board will help us drive our future growth. The Company intends to focus strategically on disruptive technologies applicable to the data centre sector with high scalability and significant profit margin prospects, including the application of blockchain technologies where appropriate. We look forward to reporting on our progress during 2021.

Tone Goh
Chairman

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About GST

GST provides optimal wireless, electronic cabling, security, and other solutions to clients operating in the infrastructure development space. GST builds on the profitable ICT business of its Singaporean subsidiary EMS Wiring Systems, which has been supplying governments and large private organisations with intelligent building solutions for the last 30 years. GST's strategy is to develop solutions to meet the needs of the ICT industry, acting on the surging opportunities in the technology and innovation sectors - data centres, intelligent buildings, smart cities and the Internet of Things - particularly targeting emerging markets where the demand for ICT infrastructure is increasing rapidly.

For more information please see: https://gstechnologies.co.uk/

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the period 1 April 2020 to 30 September 2020

	Notes	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Net operating income			
Sales		769	2,594
Other income		295	4
		1,063	**2,598**
Net operating expense			
Continuing Operations	6	(1,624)	(3,067)
Operating loss		**(561)**	**(470)**
Other comprehensive loss			
Movement in foreign exchange reserve		148	(35)
Total comprehensive loss for the period		**(412)**	**(505)**
Net Loss for the period atttributable to:			
Equity holders for the parent		(561)	(470)
Non-controlling interest		-	-
Total comprehensive loss for the period atttributable to:			
Equity holders for the parent		(412)	(505)
Non-controlling interest	20	-	-
(Loss)/Earnings per share attributable to members of the Parent			
Basic (loss) per share	9	(0)	(0)
Diluted (loss) per share	9	(0)	(0)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
ASSETS			
Current assets			
Cash and cash equivalents	11	1,789	398
Trade and other receivables	12	1,480	1,765
Work in progress	15	186	356
Inventories	13	316	319
Total current assets		**3,771**	**2,837**
Non-current assets			
Property, plant and equipment	14	286	166
Intangible Assets	16	6	6
Total non-current assets		**292**	**171**
TOTAL ASSETS		**4,063**	**3,008**
EQUITY			
Share Capital	19	1,804	1,804
Reserves		(718)	(713)
Retained Earnings		387	752
Total Equity		**1,473**	**1,843**
Equity attributable to owners of the parent		1,473	1,843
Non-controlling equity interest	20	-	-
		1,473	**1,843**
LIABILITIES			
Current Liabilities			
Trade and other payables	21	748	1,166
Total current liabilities		**748**	**1,166**
Non-current assets			
Loans Payable		1,842	-
Total non-current assets		**1,842**	**-**
Total Liabilities		**2,590**	**1,166**
TOTAL EQUITY & LIABILITIES		**4,063**	**3,008**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the period 1 April 2020 to 30 September 2020

	Notes	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation from operations		(561)	(470)
Adjustments:			
Depreciation of property, plant and equipment		22	21
Operating loss before working capital changes		**(538)**	**(449)**
Decrease/ (increase) in inventories		(4)	(4)
Decrease/ (increase) in trade and other receivables		(218)	571
(Decrease)/ Increase in trade and other payables		12	(547)
Net cash flow (used in)/from operating activities		**(210)**	**(429)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition property, plant and equipment		(13)	(10)
Net cash flow from investing activities		(13)	(10)
Cash flows from financing activities			
Proceeds from loans		1,842	-
Forex reserves		148	(35)
Net cash flow from financing activities		1,991	(35)
Net increase/(decrease) in cash and cash equivalents		1,229	(473)
Cash and cash equivalents at beginning of the period		561	871
Cash and cash equivalents at end of the period	11	1,789	398

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period 1 April 2020 to 30 September 2020 (Unaudited)

	Shareholder Capital US$'000	FX Reserve US$'000	Retained Earnings US$'000	Total US$'000
Balance at 1 April 2020	**1,804**	**(866)**	**948**	**1,886**
Comprehensive Income				
Loss for the period	-	-	(561)	(561)
Other comprehensive profit for the period	-	148	-	148
Total comprehensive loss for the period	1,804	(718)	387	1,473
Transactions with owners in their capacity as owners:				
Shares issued during the period	-	-	-	-
Balance at 30 September 2020	**1,804**	**(718)**	**387**	**1,473**

Notes to the Financial Statements

Accounting Policies

1. General Information

1.1 Corporate information

The consolidated financial statements of GSTechnologies Ltd ("the company") and its subsidiaries (collectively referred to as "the Group" for the financial period from 1 April 2020 and ended 30 September 2020 were authorised for issue in accordance with a resolution of the Directors on 28 January 2021.

The registered office of GSTechnologies Ltd, the ultimate parent of the Group, is Intertrust Corporate Services (BVI) Limited, Ritter House, Wickhams Cay II, Tortola, BVI VG1110.

The principal activity of the Group is data infrastructure, storage and technology services.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) as they apply to the financial statements of the Group for the period 1 April 2020 to 30 September 2020.

The consolidated financial statements have been prepared on a historical cost convention basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 September 2020, and for the period then ended.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the GSTechnologies Ltd (parent company), using consistent accounting.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance. A change ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on these and how they impact the various accounting policies is in the relevant notes to the consolidated financial statements.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 September 2020, the Group held cash reserves of US$1,789,000 (2019: US$398,000).

The Directors are confident the Group will generate revenue from data and technology services which will contribute to cash flow in the next 6-month period.

On this basis, the Directors believe that there are sufficient funds to meet the Group's working capital requirements.

The Group recorded a loss of $561,000 for the six months ended 30 September 2020 and had net assets of US$1,473,000 as at 30 September 2020 (2019: loss of US$470,000 and net assets of ($1,843,000).

Accruals

Management have used judgement and prudence when estimating certain accruals for contractor claims. The accruals recognised are based on work performed but are before settlement.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Please refer to Note 22 for further details.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses (ECL) on trade receivables and contract assets

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the Company's trade receivables at the end of the reporting period is disclosed in Note 12 to the financial statements.

Revenue recognition

The Company uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured in accordance with the accounting policy stated in Note 5. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract cost and the recoverability of the contracts. In making these assumptions, management has relied on past experience and the work of specialists.

Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the contract cost incurred for any job exceeds its contract sum. The carrying amounts of contract balances at the reporting date are disclosed in Note 15 to the financial statements.

Allowance for inventory obsolescence

The Company reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based on the most reliable evidence available at the reporting date. These estimates take into consideration market demand, competition, selling price and cost directly relating to events occurring after the end of the financial year to the extent that such events confirm conditions existing at the end of the financial year. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of the Company's inventories at the reporting date are disclosed in Note 13 to the financial statements.

4. New standards and amendments and interpretations adopted by the Group

There are several new Accounting standards and interpretations issued by the IASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Group in the current or future reporting periods.

5. Summary of significant accounting policies

Property, plant and equipment

Plant and equipment are shown at cost less accumulated depreciation and impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, any incidental cost of purchase, and associated borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Directly attributable costs include employee benefits, professional fees and costs of testing whether the asset is functioning properly. Capitalised borrowing costs include those that are directly attributable to the construction of mining and infrastructure assets.

Property, plant and equipment relate to plant, machinery, fixtures and fittings and are shown at historical cost less accumulated depreciation and impairment losses.

The depreciation rates applied to each type of asset are as follows:

Plant and machinery	2 to 10 years
Motor Vehicles	2 to 10 years
Fixtures and fittings	3 years
Lease Improvements	5 years

Subsequent expenditure is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. Assets that are replaced and have no future economic benefit are derecognised and expensed through profit or loss. Repairs and maintenance which neither materially add to the value of assets nor appreciably prolong their useful lives are charged against income. Gains/ losses on the disposal of fixed assets are credited/charged to income. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

The asset's residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively if appropriate.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Financial instruments: Initial recognition and measurement

These accounting policies are applied on and after the initial application date of FRS 109/IFRS 9, 1 April 2018:

(a) Financial assets

(i) Classification, initial recognition and measurement

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income (FVOCI); and fair value through profit or loss (FVPL).

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

(ii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Debt instruments of the Company comprise cash and cash equivalents and trade and other receivables.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

(iii) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial liabilities measured at amortised cost comprise trade and other payables.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date. Cash and cash equivalents comprise cash balances and short-term deposit that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Impairment

Financial Assets

These accounting policies are applied on and after the initial application date of FRS 109/IFRS 9, 1 April 2018:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are past due for more than 90 days. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss

Trade and other payables

Trade and other payables are non-derivative financial liabilities that are not quoted in an active market. It represents liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7-30 day payment terms. Trade and other payables are presented as current liabilities unless payment is not during within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest (EIR) method. The fair value implies the rate of return on the debt component of the facility. This rate of return reflects the significant risks attaching to the facility from the lenders' perspective.

Determination of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair values of trade and other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Current receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Other financial assets and liabilities

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax amount that reflects current market assessments of the time value of money, and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Finance income

Interest income is made up of interest received on cash and cash equivalents.

Deferred taxation

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised, except:

In respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Foreign currencies

i) *Functional and presentation currency*
The consolidated financial statements are presented in US dollars, which is the Group's presentation currency.

ii) *Transaction and Balances*
Transactions in foreign currencies are initially recorded in the functional currency at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting dates. All differences are taken to the profit or loss, should specific criteria be met.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

iii) *Group Companies*
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented as translated at the closing rate at the date of the statement of financial position.

- Income and expenses for each income statement and statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions), and

- All resulting exchange differences are recognised in other comprehensive income

Revenue Recognition

These accounting policies are applied on and after the initial application date of FRS 115/IFRS 15, 1 April 2018:

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from rendering of services is recognised as performance obligations are satisfied. Payments are due from customers based on the agreed billing milestone stipulated in the contracts or based on the amounts certified by the customers.

Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is assessed by reference to the cost incurred relative to total estimated costs (input method). The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

If the value of services rendered for the contract exceeds payments received from the customer, a contract asset is recognised and presented separately on the balance sheet. The contract assets are transferred to receivables when the entitlement to payment becomes unconditional. If the amounts invoiced to the customer exceeds the value of services rendered, a contract liability is recognised and separately presented in the statement of financial position.

Interest Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Contract assets and liabilities

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on project work. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

Contract liabilities primarily relate to advance consideration received from customers and progress billings issued in excess of the Company's rights to the consideration

6. Net Operating Expenses

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Continuing Operations		
Costs of goods sold	913	2,225
Employee Cost	318	459
Travel Expenses	1	20
Admin Expense	283	158
Lease Expenses	57	73
Distribution, Advertising and promotion	4	71
General Expenses	17	26
Depreciation of property plant and equipment	22	21
Occupancy costs	9	14
	1,624	**3,067**

7. Key Management Personnel

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Directors' emoluments	181	202

8. Employee costs

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Wages and salaries	166	276
Wages and salaries - Cost of sales	528	1,082
Other employee costs	153	203
Total	847	1,561

9. Earnings per share

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Loss for the period attributable to members of the parent	(412)	(505)
Basic loss per share is calculated by dividing the loss attributable to owners of the Parent by the weighted average number of ordinary share in issue during the period.		
Basic weighted average number of ordinary shares in issue	995,482,002	995,482,002
Basic loss per share-cents	(0)	(0)
Diluted loss per share-cents	(0)	(0)

10. Segment Reporting

The consolidated entity's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the consolidated entity's operations and allocation of working capital.

Due to the size and nature of the consolidated entity, the Board has been determined as the chief operating decision maker.

The consolidated entity operates in one business segment, being information data technology and infrastructure.

The revenues and results are those of the consolidated entity as a whole and are set out in the statement of profit and loss and other comprehensive income. The segment assets and liabilities of this segment are those of the consolidated entity and are set out in the Statement of Financial Position.

11. Cash and Cash Equivalents

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Cash at bank	1,789	398

Cash at bank includes US$78,000 pledged to the bank as security for banker guarantee given to customer.

12. Trade and Other Receivables

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Trade Receivables	1,407	1,485
Prepayments	73	280
	1,480	**1,765**

13. Inventories

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Inventories	316	319

14. Property, Plant and Equipment

	Right-of-use assets	Building & improvements	Furniture & Office Equipment	Vehicle	Total
Cost			US $'000		
As at 31 Mar 2019	-	38	447	191	676
Impact IFRS 16	169	-	-	-	169
Addn/Transfer in	-	8	55	0	63
Disposal/Write-off	-	-	0	(43)	(43)
As at 31 Mar 2020	169	46	502	148	865
Addn/Transfer in	-	-	-	-	-
Disposal/Write-off	-	-	-	-	-
Forex translation	7	6	11	(11)	13
As at 30 Sep 2020	176	52	513	137	878

Accumulated depreciation					
As at 31 Mar 2019	-	25	380	94	498
Charge for the year	55	14	21	14	104
Disposal/Write-off	-	-	-	(33)	(33)
As at 31 Mar 2020	55	39	401	75	569
Charge for the year		6	7	9	22
Disposal/Write-off	-	-	-	-	-
Forex translation	2	7	6	(15)	(0)
As at 30 Sep 2020	57	52	414	69	592
Net book value					
As at 31 Mar 2020	**114**	**7**	**101**	**73**	**295**
As at 30 Sep 2020	**119**	**0**	**99**	**69**	**286**

15. Work in Progress

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Contract assets	186	356

Contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. If the value of services rendered exceeds payments received from the customer, a contract assets is recognised and presented separately. The contract assets is transferred to receivables when the entitlement to payment becomes unconditional.

16. Intangible Assets

	US$'000
Opening net book value 1 April 2020	6
Addition	-
Amortisation charge	-
Closing net book value 30 September 2020	6

There was no impairment during the period.

17. Subsidiaries

Details of the Company's subsidiaries at 30 September 2020 are as follows:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Proportion of Voting Power
Golden Saint Technologies (Australia) Pty Ltd	Australia	100	100
EMS Wiring Systems Pte Ltd	Singapore	100	100

18. Taxation

Unrecognised tax losses

Where the realisation of deferred tax assets is dependent on future taxable profits, losses carried forward are recognised only to the extent that business forecasts predict that such profits will be available to the companies in which losses arose.

The parent, GSTechnologies Ltd, is not liable to corporation tax in BVI, so it has no provision for deferred tax. However, Golden Saint Technologies (Australia) Pty Ltd is liable to tax in Australia and EMS is liable for tax in Singapore.

19. Share Capital and Reserves

The share capital of the Company is denominated in UK Pounds Sterling. Each allotment during the period was then translated into the Group's functional currency, US Dollars at the spot rate on the date of issue.

	Number of Shares	US$'000
Authorised		
Ordinary Shares		
As at 31 Mar 2020	**995,482,002**	**1,804**
Issues during the period 1 Apr 2020 to 30 Sep 2020	-	-
As at 31 September 2020	**995,482,002**	**1,804**

20. Non-Controlling Equity Interest

All entities within the group are currently 100% owned and accordingly a non-controlling interest does not arise.

21. Trade and Other Payables

	6 months ended 30 September 2020 US$'000 (Unaudited)	6 months ended 30 September 2019 US$'000 (Unaudited)
Trade Payables	423	733
Accruals	325	433
	748	**1,166**

Trade payables are non-interest bearing and are normally settled on 60-day terms.

22. Commitments and Contingencies

The Group is subject to no material commitments or contingent liabilities.

23. Subsequent Events

As announced on 19 January 2021, subscription of 198,000,000 ordinary share has been placed at £0.001 per ordinary share.

24. Related Party Transactions

During the period 1 April 2020 to 30 September 2020, there were no related party transactions other than loans between wholly owned subsidiaries.

25. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks. The Group's Board provides certain specific guidance in managing such risks, particularly as relates to credit and liquidity risk. Any form of borrowings requires approval from the Board and the Group does not currently use any derivative financial instruments to manage its financial risks. The key financial risks and the Group's major exposures are as follows:

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the financial assets. In relation to cash and cash equivalents, the Group limits its credit risk with regards to bank deposits by only dealing with reputable banks. In relation to sales receivables, the Group's credit risk is managed by credit checks for credit customers and approval of letters of credit by the Group's advising bank.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The table below indicates the currencies to which the Group had significant exposure at 30 September 2019 on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the US dollar, with all other variables held constant on the statement of comprehensive income (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A positive amount in the table reflects a potential net increase in the consolidated statement of comprehensive income.

26. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors its risk to a shortage of funds using a combination of cash flow forecasts, budgeting and monitoring of operational performance.

27. Capital management

Capital includes equity attributable to the equity holders of the parent. Refer to the statement of changes in equity for quantitative information regarding equity.

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders. For details of the capital managed by the Group as at 30 September 2020, please see Note 19.

The Group is not subject to any externally imposed capital requirements.

28. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A sensitivity analysis is not presented, as all borrowing costs have been capitalised as at 30 September 2020; therefore, profit or loss and equity would have not been affected by changes in the interest rate.