

## **GSS ENERGY LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

### **GSS Energy’s Revenue Up 12.4% to S\$24.4 million for 1Q2018, Sustained by Growth Momentum in its PE business**

- **Net profit after tax for the Group’s Precision Engineering (“PE”) business rose 21.1% to S\$2.3 million in 1Q2018**
- **Group acquired a piece of land in Batam in April 2018 to relocate its existing facility operated under an extended long lease. This new facility will help to meet expanded demand**
- **Group is nearing the commercialization of hydrocarbon found in Well SGT-01 at the Trembul Operating Area that should contribute to the O&G business positively in 2018**

**Singapore, 14 May 2018** – The Board of Directors (the “**Board**”) of **GSS Energy Limited** (“**GSS Energy**”, and together with its subsidiaries, the “**Group**”) announced its financial results for the three months ended 31 March 2018 (“**1Q2018**”).

	1Q2018	1Q2017	Change
	3 months	3 months	
	(S\$'000)	(S\$'000)	%
<b>Revenue</b>	24,395	21,706	12.4
<b>Gross Profit</b>	5,694	5,090	11.9
<b>Gross Profit Margin</b>	<b>23.3%</b>	<b>23.4%</b>	<b>(0.1) ppt</b>
<b>Total Expenses</b>	(4,480)	(3,695)	21.2
<b>EBITDA</b>	1,757	1,825	(3.7)
<b>Net profit attributable to shareholders of the company</b>	670	1,049	(36.1)

Note: ppt denotes percentage points

## FINANCIAL REVIEW

Group's revenue rose 12.4% from S\$21.7 million in 1Q2017 to S\$24.4 million in 1Q2018. Gross profit margin was maintained at around 23.3% and gross profit also increased by 11.9% to S\$5.7 million in 1Q2018. The improvement in financial performance in 1Q2018 was mainly attributed to the Group's PE business.

In 1Q2018, the Group incurred higher distribution and selling expenses of S\$2.4 million and higher administration expenses of S\$1.6 million comprised mainly of handling more orders under the PE business, O&G business expenses and corporate expenses for share options.

The Group's PE business grew its net profit after tax by 21.1% from S\$1.9 million in 1Q2017 to S\$2.3 million in 1Q2018. However this was offset by operational expenses of around \$1.0 million incurred for O&G business.

Overall, the Group's net profit attributable to shareholders was about S\$0.7 million for 1Q2018.

<i>Financial positions</i>	As At 31 March 2018	As At 31 December 2017	Change
	(S\$'000)	(S\$'000)	%
Cash and cash equivalents	4,864	4,719	3.1
Total assets	74,811	74,968	(0.2)
Loan and borrowings	2,810	2,897	(3.0)
Total liabilities	30,380	31,834	(4.6)
Total equity	44,431	43,134	3.0
Net asset value per share (Singapore cents)*	8.99	8.71	3.2

\*The net assets value per share for the period ended 31 March 2018 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 496,158,657 ordinary shares (31 December 2017: 496,158,657 ordinary shares)

Note: NM denotes "not meaningful"

The Group has a strong balance sheet with S\$4.9 million in cash and cash equivalents as of 31 March 2018. The Group's net asset value per share strengthened by 3.2% to 8.99 Singapore cents per share as of 31 March 2018.

## BUSINESS UPDATES AND OUTLOOK

In April 2018, the Group acquired a piece of land in Batam with plans to build a factory and move its production to the new location. This new facility help to meet expanded demand.

The Group has invested considerable resources in exploratory activities in the Trembul Operating Area resulting in the discovery of commercially viable hydrocarbon resources at Well SGT-01. Discussions are ongoing with various parties to finalise agreement for offtake of this gas. The Group has commenced exploratory activities in a nearby Well P1 and is waiting for results.

Commenting on the financial results and outlook for the Group, Mr. Sydney Yeung, CEO of GSS Energy, commented, ***"We look forward to delivering the Group's profitability for FY 2018 based on the positive outlook for our PE and O&G business model. Our PE business continues to provide steady income and profitability. The fully operational and expanded factory in Changzhou allows us to take on larger orders with greater production capability directing towards higher valued output. We have invested in a new piece of land in Batam with confidence that when our new factory is completed***

*and fully operational, we will be able to expand our production and operational performance.*

*On the O&G business, we are working to close the operational and financial arrangement to commercialise our fields at Trembul. When these are in place, we can look forward to their contributions to the Group.”*

- End -

**ABOUT GSS ENERGY LIMITED (Bloomberg Ticker: GSSE SP EQUITY)**

GSS Energy has two core operating businesses: Oil and Gas (“**O&G**”) and Precision Engineering (“**PE**”). The O&G business is engaged in oil production in Indonesia, while the PE business is engaged in precision engineering, with a presence in Singapore, Indonesia and China.

GSS Energy officially started trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on February 12, 2015. Pursuant to a scheme of arrangement under Section 210 of the Companies Act, undertaken by Giken Sakata, Giken Sakata became a wholly-owned operating subsidiary of GSS Energy. Giken Sakata had been listed on SGX since 1993 and its listing status was transferred to GSS Energy with effect from February 12, 2015.

For more information, please visit [www.gssenergy.com.sg](http://www.gssenergy.com.sg)

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Issued for and on behalf of GSS Energy Limited  
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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.

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