



GSS ENERGY LIMITED

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

ACQUISITION OF LAND AND FACTORY BUILDING IN BATAM, INDONESIA BY WHOLLY-OWNED SUBSIDIARY

1. Introduction

The Board of Directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), wishes to announce that its wholly-owned subsidiary, PT Giken Precision Indonesia (the “**Buyer**”), had on 25 April 2018 entered into a Sales and Purchase Agreement (the “**Agreement**”) with PT Lindung Alam Batam (the “**Seller**”) for the purchase of a piece of land located in Batam, Indonesia, and for a factory building to be built thereon (collectively, the “**Property**”), for a consideration of S\$8.04 million (the “**Consideration**”) (the “**Acquisition**”).

2. Information Relating to the Acquisition and the Rationale Therefor

The Agreement is in respect of: (a) a piece of land located at Horizon Industrial Park, Kelurahan Sungai Lekop, Kecamatan Sagulung, Batam, Indonesia, and which size is approximately 50,000 square meters; and (b) a two (2) storey factory building to be built thereon of approximately 13,124 square meters.

The Acquisition is part of the Group’s long-term growth plan, and will result in cost-savings through the housing of its precision engineering business’ manufacturing and production operations (as compared to the Group’s current rental of its factory at Citra Buana Industrial Park II, Jl. Yos Sundarso Phase II, Lot 2 Batu Ampar, Batam, Indonesia).

3. Salient Terms of the Acquisition

The Consideration comprises:

- (a) S\$4.50 million for the land, which is payable over 60 months; and
- (b) S\$3.54 million for the factory building, which is payable over 48 months.

The Consideration was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length between the parties, and takes into account, *inter alia*, prevailing market conditions and the rationale set out above.

The Acquisition will be funded by the Group’s internal resources.

4. Financial Effects of the Acquisition

The Acquisition is not expected to have any material impact on the consolidated earnings per share and consolidated net tangible assets per share of the Group for the financial year ending 31 December 2018.

5. Discloseable Transaction

The relative figures of the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are as follows:

	Bases of calculation	Size of relative figures (%)
(a)	The net asset value of assets to be disposed of, compared with Group’s net asset value	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of compared with group’s net profits	Not applicable
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalization based on the total number of shares excluding treasury shares	10.3% ⁽¹⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

(1) Computed based on the Consideration of S\$8.04 million and the market capitalisation of the Company of S\$77.90 million determined by multiplying the existing number of issued shares in the capital of the Company (“**Shares**”) (excluding treasury shares) of 496,159,000 by the weighted average price of the Shares of S\$0.157 per Share based on the trades done on the Catalist of the SGX-ST on 24 April 2018 (being the market day preceding the date of the Agreement).

Bases on the above, the Acquisition, is a discloseable transaction under Chapter 10 of the Catalist Rules.

6. Interest of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company.

7. Directors’ Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Acquisition or any other transaction contemplated in relation to the Acquisition.

8. Documents for Inspection

A copy of the Agreement will be available for inspection during normal business hours at the registered office of the Company at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 for a period of three (3) months from the date of this announcement.

9. Further Announcements

The Company will update shareholders on material developments relating to the Acquisition, if any.

10. Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. Cautionary Statement

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
GSS Energy Limited

Ng Say Tiong
Chief Financial Officer
3 May 2018

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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 ("**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by 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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