

## **GSS ENERGY LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

### **GSS Energy Aims at Expanding Operations, Acquires New Land and Factory in Batam, Indonesia for S\$8.04 million**

- **The Acquisition is in-line with the Group’s long term growth plans and will enable the Group to expand its manufacturing and production operations under its Precision Engineering (“PE”) business**
- **The Group is presently renting its current facility in Batam, Indonesia and this Acquisition will generate significant cost savings from rental costs and should boost its margins in the long run**
- **The new facility is expected to boost capacity by approximately 60% as the Group expects to cater for more order inflows coming from both existing and new customers**
- **The purchase consideration of the land is approximately S\$4.5 million and payable over 60 months, while the purchase price of the building, the license for building construction and its architecture design cost is approximately S\$3.5 million and payable over 48 months**

**Singapore, 3 May 2018** – The Board of Directors (the “**Board**”) of GSS Energy Limited (“**GSS Energy**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Group has entered into a Sales and Purchase Agreement with PT Lindung Alam Batam 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 “**Acquisition**”).



Artist's impression of new factory

The Acquisition 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 ordinary course of business and long-term growth plan, and will result in cost-savings through the housing of its PE 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). Additionally, the Property, when fully utilised, will boost the Group's current capacity in Indonesia by approximately 60.0%. The Group intends to relocate its existing operations in Indonesia to the new factory once it is complete.

**Commenting on the Acquisition, Mr. Sydney Yeung, CEO of GSS Energy, commented, *"Our Group is delighted to be able to secure a piece of land to house our manufacturing and production operations in Batam, Indonesia. This deal should generate significant cost savings and boost our margins and capacity in the near future for the Group. Currently, we are renting our present premises in Indonesia which represents a major expense for the Group. After paying down the purchase price for approximately 5 years, we will own the piece of land and the factory with zero rental costs to pay going forward.***

*Our Group has been getting healthy inflow of orders from both our existing and new customers. We are confident in sustaining our current level of business and to capture more orders from existing and new customers. We believe that this is a positive step in the right direction to pursue more growth and to expand our PE business. This further amplifies our commitment to grow our PE business further, which is one of the key pillars of our Group.*

*Barring any unforeseen circumstances, we are cautiously optimistic of maintaining our level of profitability with our existing customer base while expanding our manufacturing and service capabilities to secure more contracts and add more new customers going forward.”*

- End -

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

GSS Energy has two core operating businesses: O&G and 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  
By Financial PR Pte Ltd

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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.

This announcement has not been examined or approved by SGX-ST and the 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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