

## Background

GSS Energy Limited ("GSEEL" or "Company", and together with its subsidiaries, the "Group") was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end ("FYE"). The Company's first set of audited results would be for the period ending 31 December 2015.

On 12 February 2015, the Company acquired the entire issued and paid-up share capital of Giken Sakata (S) Limited ("GSSL") pursuant to the completion of the restructuring exercise ("Restructuring Exercise") undertaken by GSSL by way of a scheme of arrangement under Section 210 of Companies Act (Cap.50). GSSL's financial year end was 31 August. Pursuant to the terms of the implementation agreement entered into between the Company and GSSL on 10 November 2014 ("Implementation Agreement") in relation to, *inter alia*, the Restructuring Exercise and the Scheme, upon the Scheme become effective in accordance with its terms and the completion of the Restructuring Exercise, all profit or loss attributable to GSSL shall, with effect from 1 September 2014, accrue to the Group.

Further to the Restructuring Exercise, the Company has taken steps to change the financial year end of its subsidiaries, including GSSL, to 31 December. The financial year end of GSSL has been changed from 31 August to 31 December, accordingly.

## Unaudited Financial Statements And Related Announcement For The Fourth Quarter and Twelve Months Ended 31 December 2015

### 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.

Consolidated statement of comprehensive income for the fourth quarter and twelve (12) months ended 31 December 2015. These figures have not been audited.

	Unaudited 4Q2015 <sup>1</sup> (3 months) (S\$'000)	Unaudited 4Q2014 <sup>2</sup> (3 months) (S\$'000)	Change in %	Group Unaudited 12M2015 <sup>3</sup> (12 months) (S\$'000)	Unaudited 12M2014 <sup>4</sup> (12 months) (S\$'000)	Change in %
<b>Revenue</b>	15,561	19,584	(20.54)%	67,642	68,728	(1.58)%
Cost of Sales	(12,398)	(13,330)	(6.99)%	(49,494)	(52,349)	(5.45)%
<b>Gross Profit</b>	3,163	6,254	(49.42)%	18,148	16,379	10.80%
<b>Other items of income</b>						
Other income	396	122	NM	3,387	554	NM
Interest income	73	8	NM	138	51	NM
<b>Other items of expenses</b>						
Distribution and selling expenses	(1,190)	(1,638)	(27.35)%	(3,994)	(7,942)	(49.71)%
Administration expenses	(1,650)	(2,286)	(27.82)%	(9,592)	(5,296)	81.12%
Other operating expenses	475	(26)	NM	(853)	(458)	86.24%
Finance costs	-	-	NM	(1)	(28)	(96.43)%
<b>Profit on operation</b>	1,267	2,434	(47.95)%	7,233	3,260	NM
Impairment losses	-	-	NM	(32,884)	-	NM
Share of results of joint venture (net of tax)	(6)	-	NM	(8)	-	NM
<b>Profit/(Loss) before income tax</b>	1,261	2,434	(48.19)%	(25,659)	3,260	NM
Income tax expense	(2,467)	(721)	NM	(2,594)	(1,215)	NM
<b>Profit/(Loss) for the financial period</b>	(1,206)	1,713	NM	(28,253)	2,045	NM
<b>Other comprehensive income:</b>						
<i>Items that will not be reclassified subsequently to profit and loss</i>						
Remeasurement of defined benefit pension scheme	(896)	-	NM	(896)	28	NM
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translating of foreign operations	(849)	125	NM	(386)	143	NM
<b>Other comprehensive income for the financial period, net of tax</b>	(1,745)	125	NM	(1,282)	171	NM
<b>Total comprehensive income for the financial period</b>	(2,951)	1,838	NM	(29,535)	2,216	NM
<b>Profit/(Loss) attributable to:-</b>						
Owners of the parent	(1,234)	1,190	NM	(18,752)	1,335	NM
Non-controlling interests	28	523	(94.65)%	(9,501)	710	NM
	(1,206)	1,713	NM	(28,253)	2,045	NM
<b>Other comprehensive income attributable to:-</b>						
Owners of the parent	(2,969)	1,321	NM	(19,789)	1,511	NM
Non-controlling interests	18	517	(96.52)%	(9,746)	705	NM
	(2,951)	1,838	NM	(29,535)	2,216	NM

1 (a) (ii) Other information

	Unaudited 4Q2015 <sup>1</sup> (3 months) (S\$'000)	Unaudited 4Q2014 <sup>2</sup> (3 months) (S\$'000)	Change in %	Group		Change in %
				Unaudited 12M2015 <sup>3</sup> (12 months) (S\$'000)	Unaudited 12M2014 <sup>4</sup> (12 months) (S\$'000)	
Interest income	73	8	NM	138	51	NM
Finance cost	-	-	NM	(1)	(28)	(96.43)%
Amortisation of intangible assets	(14)	(412)	(96.60)%	(433)	(545)	(20.55)%
Depreciation of property, plant and equipment	(379)	(306)	23.86%	(1,463)	(1,273)	14.93%
Foreign exchange gain, net	781	71	NM	238	-	NM
Gain on disposal of property, plant and equipment	-	-	NM	34	87	(60.92)%
Property, plant and equipment written off	(6)	-	NM	(1,002)	(4)	NM
Allowance for inventory obsolescence	-	-	NM	-	113	(100.00)%
Allowance for inventory obsolescence written back	49	-	NM	49	29	NM
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	NM	2,816	-	NM
<b>Impairment losses</b>						
Impairment of trade receivables	-	-	NM	(18,288)	-	NM
Write-back of trade payables	-	-	NM	6,724	-	NM
Impairment of goodwill	-	-	NM	(9,759)	-	NM
Impairment of intangibles	-	-	NM	(11,387)	-	NM
Impairment of other assets	-	-	NM	(174)	-	NM
<b>Total impairment losses</b>	<b>-</b>	<b>-</b>	<b>NM</b>	<b>(32,884)</b>	<b>-</b>	<b>NM</b>

Notes

- <sup>1</sup> "4Q2015": Period from 1 Oct 2015 to 31 Dec 2015  
<sup>2</sup> "4Q2014": Period from 1 Oct 2014 to 31 Dec 2014  
<sup>3</sup> "12M2015": Period from 1 Jan 2015 to 31 Dec 2015  
<sup>4</sup> "12M2014": Period from 1 Jan 2014 to 31 Dec 2014  
<sup>5</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 period.

Statements of Financial Position

	Group As at			Company As at		
	31 December 2015	31 August 2014 <sup>1</sup>	Change in	31 December 2015	31 August 2014 <sup>2</sup>	Change in
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	6,053	4,618	31.07%	-	NA	NM
Intangible assets	39	113	(65.49)%	-	NA	NM
Investment in subsidiaries	-	-	NM	28,603	NA	NM
Investment in joint venture	42	-	NM	42	NA	NM
Goodwill	112	112	NM	-	NA	NM
Other receivables and deposits	2,091	-	NM	-	NA	NM
Due from a subsidiary	-	-	NM	2,061	NA	NM
	<u>8,337</u>	<u>4,843</u>	<u>72.15%</u>	<u>30,706</u>	<u>NA</u>	<u>NM</u>
<b>Current assets</b>						
Inventories	4,987	4,573	9.05%	-	NA	NM
Trade receivables	13,585	14,277	(4.85)%	-	NA	NM
Other receivables and deposits	410	351	16.81%	-	NA	NM
Prepayment	135	106	27.36%	6	NA	NM
Short term investment	437	-	NM	-	NA	NM
Cash and cash equivalents	10,230	4,444	NM	-	NA	NM
	<u>29,784</u>	<u>23,751</u>	<u>25.40%</u>	<u>6</u>	<u>NA</u>	<u>NM</u>
<b>Total assets</b>	<u>38,121</u>	<u>28,594</u>	<u>33.32%</u>	<u>30,712</u>	<u>NA</u>	<u>NM</u>
<b>EQUITY AND LIABILITIES</b>						
<b>Current liabilities</b>						
Trade payables	9,689	9,489	2.11%	-	NA	NM
Other payables and accruals	5,636	2,885	95.36%	134	NA	NM
Due to a related party	3,757	-	NM	-	NA	NM
Due to a subsidiary	-	-	NM	5,951	NA	NM
Current income tax payable	4,191	182	NM	-	NA	NM
Loan and borrowings	-	31	(100.00)%	-	NA	NM
	<u>23,273</u>	<u>12,587</u>	<u>84.90%</u>	<u>6,085</u>	<u>NA</u>	<u>NM</u>
<b>Net current assets/(liabilities)</b>	<u>6,511</u>	<u>11,164</u>	<u>(41.68)%</u>	<u>(6,079)</u>	<u>NA</u>	<u>NM</u>
<b>Non-current liabilities</b>						
Provisions	1,100	444	-	-	NA	NM
	<u>1,100</u>	<u>444</u>	<u>-</u>	<u>-</u>	<u>NA</u>	<u>NM</u>
<b>Total liabilities</b>	<u>24,373</u>	<u>13,031</u>	<u>87.04%</u>	<u>6,085</u>	<u>NA</u>	<u>NM</u>
<b>Net assets</b>	<u>13,748</u>	<u>15,563</u>	<u>(11.66)%</u>	<u>24,627</u>	<u>NA</u>	<u>NM</u>
<b>Equity attributable to owners of the parent</b>						
Share Capital	73,458	26,178	NM	73,458	NA	NM
Accumulated losses	(31,718)	(11,427)	NM	(48,831)	NA	NM
Other reserves	(28,448)	515	NM	-	NA	NM
	<u>13,292</u>	<u>15,266</u>	<u>(12.93)%</u>	<u>24,627</u>	<u>NA</u>	<u>NM</u>
<b>Non-controlling interests</b>	<u>456</u>	<u>297</u>	<u>53.54%</u>	<u>-</u>	<u>NA</u>	<u>NM</u>
<b>Total equity</b>	<u>13,748</u>	<u>15,563</u>	<u>(11.66)%</u>	<u>24,627</u>	<u>NA</u>	<u>NM</u>
<b>Total equity and liabilities</b>	<u>38,121</u>	<u>28,594</u>	<u>33.32%</u>	<u>30,712</u>	<u>NA</u>	<u>NM</u>

Note:

<sup>1</sup> The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of-interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

<sup>2</sup> Not applicable as the Company was incorporated on 31 October 2014.

"NA": Not applicable

1 (b) (ii) Aggregate amount of group's borrowing and debt securities

Amount repayable in one year or less, or on demand

As at 31.12.2015		As at 31.08.2014 <sup>1</sup>	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	-	31	-

Amount repayable after one year

As at 31.12.2015		As at 31.08.2014 <sup>1</sup>	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	-	-	-

Note:

<sup>1</sup> The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

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.

	Group			
	Unaudited 4Q2015 <sup>1</sup> (3 months) (S\$'000)	Unaudited 4Q2014 <sup>2</sup> (3 months) (S\$'000)	Unaudited 12M2015 <sup>3</sup> (12 months) (S\$'000)	Unaudited 12M2014 <sup>4</sup> (12 months) (S\$'000)
<b>Operating activities</b>				
Profit/(Loss) before income tax	1,261	2,434	(25,659)	3,260
Adjustments for:				
Allowance for inventory obsolescence	-	-	-	113
Allowance for inventory obsolescence written back	(49)	-	(49)	(29)
Amortisation of intangible assets	14	412	433	545
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	(2,816)	-
Depreciation of property, plant and equipment	379	306	1,463	1,273
Finance costs	-	-	1	28
Gain on disposal of property, plant and equipment	-	-	(34)	(87)
Impairment losses	-	-	32,884	-
Introducer fees	-	-	-	480
Inventory written off	46	-	46	-
Property, plant and equipment written off	6	-	1,002	4
Share of results of joint venture	6	-	8	-
Interest income	(73)	(8)	(138)	(51)
<b>Operating cash flows before working capital changes</b>	<b>1,590</b>	<b>3,144</b>	<b>7,141</b>	<b>5,536</b>
<b>Working capital changes</b>				
Inventories	(482)	344	(1,061)	1,609
Trade receivables	1,502	(4,514)	111	(6,872)
Other receivables and deposits	(1,275)	45	(2,087)	197
Prepayments	32	(12)	(21)	(10)
Trade payables	(1,705)	1,365	(4,984)	327
Other payables and accruals	940	1,324	2,110	(462)
Due to related company	-	-	-	2
Due to previous related company	-	-	-	(150)
Provisions settled	(240)	-	(240)	(38)
<b>Cash generated from operations</b>	<b>362</b>	<b>1,696</b>	<b>969</b>	<b>139</b>
Interest received	73	8	138	51
Interest paid	-	-	(1)	(28)
Income tax paid	(220)	(88)	(422)	(169)
<b>Net cash generated from/(used in) operating activities</b>	<b>215</b>	<b>1,616</b>	<b>684</b>	<b>(7)</b>
<b>Investing activities</b>				
Investment in joint venture	-	-	(50)	-
Payment for purchase of intangible assets	-	(2,403)	(582)	(3,671)
Payment for purchase of property, plant and equipment	(608)	(107)	(3,807)	(1,060)
Payment for purchase of short-term investment	-	-	(434)	-
Proceed from disposal of property, plant and equipment	-	-	34	87
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	2,816	-
Net cash used in acquisition of subsidiary	-	-	-	(14,939)
<b>Net cash used in investing activities</b>	<b>(608)</b>	<b>(2,510)</b>	<b>(2,023)</b>	<b>(19,583)</b>
<b>Financing activities</b>				
Bank balances pledged	110	(110)	110	(110)
Proceeds from issue of shares	-	-	-	25,690
Proceeds from bank loans	-	90	-	90
Proceeds from loan from a related company	-	-	1,866	-
Repayment of bank loans	(18)	-	(90)	(1,429)
Repayment of obligations under finance leases	-	(11)	(17)	(336)
<b>Net cash generated from/(used in) financing activities</b>	<b>92</b>	<b>(31)</b>	<b>1,869</b>	<b>23,905</b>
<i>Net (decrease)/increase in cash and cash equivalents</i>	<i>(301)</i>	<i>(925)</i>	<i>530</i>	<i>4,315</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>-</i>	<i>62</i>	<i>81</i>	<i>29</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>10,531</i>	<i>10,482</i>	<i>9,619</i>	<i>5,275</i>
<b>Cash and cash equivalents at end of the period</b>	<b>10,230</b>	<b>9,619</b>	<b>10,230</b>	<b>9,619</b>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and bank balances	7,684	6,963	7,684	6,963
Fixed deposits	2,546	2,766	2,546	2,766
	10,230	9,729	10,230	9,729
Less: Bank balances pledged	-	(110)	-	(110)
	10,230	9,619	10,230	9,619

**Notes**

<sup>1</sup> "4Q2015": Period from 1 Oct 2015 to 31 Dec 2015

<sup>2</sup> "4Q2014": Period from 1 Oct 2014 to 31 Dec 2014

<sup>3</sup> "12M2015": Period from 1 Jan 2015 to 31 Dec 2015

<sup>4</sup> "12M2014": Period from 1 Jan 2014 to 31 Dec 2014

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.

	Share capital	Capital reserve	Statutory reserve fund	Foreign currency translation 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>									
<b>Balance at 1 January 2015</b>	73,458	(22,800)	380	393	(11,748)	-	39,683	3,600	43,283
<b>Net profit for the financial period</b>	-	-	-	-	956	-	956	103	1,059
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	178	-	-	178	(31)	147
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	178	-	-	178	(31)	147
<b>Total comprehensive income for the financial period</b>	-	-	-	178	956	-	1,134	72	1,206
<b>Balance at 31 March 2015</b>	73,458	(22,800)	380	571	(10,792)	-	40,817	3,672	44,489
<b>Net loss for the financial period</b>	-	-	-	-	(21,533)	-	(21,533)	(9,546)	(31,079)
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(281)	-	-	(281)	(148)	(429)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(281)	-	-	(281)	(148)	(429)
<b>Total comprehensive income for the financial period</b>	-	-	-	(281)	(21,533)	-	(21,814)	(9,694)	(31,508)
<b>Balance at 30 June 2015</b>	73,458	(22,800)	380	290	(32,325)	-	19,003	(6,022)	12,981
<b>Net profit/(loss) for the financial period</b>	-	-	-	-	3,059	-	3,059	(86)	2,973
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	801	-	-	801	(56)	745
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	801	-	-	801	(56)	745
<b>Total comprehensive income for the financial period</b>	-	-	-	801	3,059	-	3,860	(142)	3,718
<b>Transactions with owners of the parent recognised directly in equity</b>									
<i>Changes in ownership of interests in subsidiaries</i>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(6,602)	(6,602)	6,602	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(6,602)	(6,602)	6,602	-
<b>Total transactions with owners</b>	-	-	-	-	-	(6,602)	(6,602)	6,602	-
<b>Balance at 30 September 2015</b>	73,458	(22,800)	380	1,091	(29,266)	(6,602)	16,261	438	16,699
<b>Net (loss)/profit for the financial period</b>	-	-	-	-	(1,234)	-	(1,234)	28	(1,206)
<b>Other comprehensive income for the financial period</b>									
Remeasurement of defined benefit scheme	-	-	-	-	(896)	-	(896)	-	(896)
Exchange differences arising from translation of foreign operations	-	-	-	(839)	-	-	(839)	(10)	(849)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(839)	(896)	-	(1,735)	(10)	(1,745)
<b>Total comprehensive income for the financial period</b>	-	-	-	(839)	(2,130)	-	(2,969)	18	(2,951)
<b>Transactions with owners of the parent recognised directly in equity</b>									
<i>Contributions by and distribution to owners</i>									
Transfer to statutory reserve	-	-	322	-	(322)	-	-	-	-
Total contributions by and distributions to owners	-	-	322	-	(322)	-	-	-	-
<b>Total transactions with owners</b>	-	-	322	-	(322)	-	-	-	-
<b>Balance at 31 December 2015<sup>1</sup></b>	73,458	(22,800)	702	252	(31,718)	(6,602)	13,292	456	13,748

	Share capital	Capital reserve	Statutory reserve fund	Foreign currency translation 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>									
<b>Balance at 1 January 2014<sup>1</sup></b>	24,488	-	353	245	(13,084)	-	12,002	289	12,291
<b>Net profit for the financial period</b>	-	-	-	-	496	-	496	3	499
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(120)	-	-	(120)	(6)	(126)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(120)	-	-	(120)	(6)	(126)
<b>Total comprehensive income for the financial period</b>	-	-	-	(120)	496	-	376	(3)	373
<b>Transactions with owners of the parent recognised directly in equity</b>									
<i>Contributions by and distribution to owners</i>									
Issue of ordinary shares	1,690	-	-	-	-	-	1,690	-	1,690
Total changes in ownership interests in subsidiary	1,690	-	-	-	-	-	1,690	-	1,690
<b>Total transactions with owners</b>	1,690	-	-	-	-	-	1,690	-	1,690
<b>Balance at 31 March 2014</b>	26,178	-	353	125	(12,588)	-	14,068	286	14,354
<b>Net profit for the financial period</b>	-	-	-	-	616	-	616	4	620
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(51)	-	-	(51)	(2)	(53)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(51)	-	-	(51)	(2)	(53)
<b>Total comprehensive income for the financial period</b>	-	-	-	(51)	616	-	565	2	567
<b>Balance at 30 June 2014</b>	26,178	-	353	74	(11,972)	-	14,633	288	14,921
<b>Net (loss)/profit for the financial period</b>	-	-	-	-	(967)	-	(967)	180	(787)
<b>Other comprehensive income for the financial period</b>									
Remeasurement of defined benefit scheme	-	-	-	-	28	-	28	-	28
Exchange differences arising from translation of foreign operations	-	-	-	188	-	-	188	9	197
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	188	28	-	216	9	225
<b>Total comprehensive income for the financial period</b>	-	-	-	188	(939)	-	(751)	189	(562)
<b>Transactions with owners of the parent recognised directly in equity</b>									
<i>Contributions by and distribution to owners</i>									
Issue of ordinary shares pursuant to the scheme	47,280	-	-	-	-	-	47,280	-	47,280
Transfer to statutory reserve	-	-	27	-	(27)	-	-	-	-
Total contributions by and distributions to owners	47,280	-	27	-	(27)	-	47,280	-	47,280
<i>Changes in ownership of interests in subsidiaries</i>									
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	2,606	2,606
Capital reserves arising from shares issued under contingent consideration (Restated)	-	(22,800)	-	-	-	-	(22,800)	-	(22,800)
Total changes in ownership of interest in subsidiaries	-	(22,800)	-	-	-	-	(22,800)	2,606	(20,194)
<b>Total transactions with owners</b>	47,280	(22,800)	27	-	(27)	-	24,480	2,606	27,086
<b>Balance at 30 September 2014</b>	73,458	(22,800)	380	262	(12,938)	-	38,362	3,083	41,445
<b>Net profit for the financial period</b>	-	-	-	-	1,190	-	1,190	523	1,713
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	131	-	-	131	(6)	125
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	131	-	-	131	(6)	125
<b>Total comprehensive income for the financial period</b>	-	-	-	131	1,190	-	1,321	517	1,838
<b>Balance at 31 December 2014 (Restated)</b>	73,458	(22,800)	380	393	(11,748)	-	39,683	3,600	43,283

**Note**

<sup>1</sup> The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of-interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
<b>The Company</b>			
Balance at 1 January 2015 <sup>1</sup>	-	-	-
Loss for the financial period	-	(2,301)	(2,301)
Total comprehensive income for the financial period	-	(2,301)	(2,301)
Issue of ordinary shares pursuant to the Scheme	73,458	-	73,458
	73,458	-	73,458
Balance at 31 March 2015	73,458	(2,301)	71,157
Loss for the financial period	-	(22,513)	(22,513)
Total comprehensive income for the financial period	-	(22,513)	(22,513)
Balance at 30 June 2015	73,458	(24,814)	48,644
Loss for the financial period	-	(23,162)	(23,162)
Total comprehensive income for the financial period	-	(23,162)	(23,162)
Balance at 30 September 2015	73,458	(47,976)	25,482
Loss for the financial period	-	(855)	(855)
Total comprehensive income for the financial period	-	(855)	(855)
Balance at 31 December 2015	73,458	(48,831)	24,627
Balance at 31 October 2014 <sup>1</sup>	-	-	-
Loss for the financial period	-	-	-
Total comprehensive income for the financial period	-	-	-
Balance at 31 December 2014	-	-	-

**Note**

<sup>1</sup> The Company was incorporated on 31 October 2014 with one (1) share at S\$1. The comparative for corresponding period immediately preceding financial year is not available.

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issue 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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

The Company was incorporated on 31 October 2014 with an issued share capital of S\$1 comprising (1) ordinary share ("Share"). In connection with the Restructuring Exercise and the Scheme, 472,618,656 Shares ("Scheme Shares") were allotted and issued by the Company to the shareholders of GSSL on 12 February 2015. Following the issuance of the Scheme Shares, the total issued share capital of the Company increased from one (1) Share as at date incorporation to 472,618,657 Shares. The movement in the Company's issued and fully paid-up share capital from 31 October 2014 (date of incorporation) was as follows:

	Company	
	No. of shares	S\$'000
Number of shares at 31 October 2014 (date of incorporation)	1	-
Issue of Scheme Shares on 12 February 2015 pursuant to the Restructuring Exercise and the Scheme	472,618,656	73,458
Number of shares at 31 December 2015	472,618,657	73,458

The Company has no outstanding convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

- 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	
	31 Dec 2015	31 Aug 2014
Total number of issued shares (excluding treasury shares)	472,618,657	NA*

It should be noted that the Company obtained shareholders approval at extraordinary general meeting held on 27 November 2015 to cancel 76,000,000 shares in the capital of the Company allotted to Java Petral Energy Pte Ltd ("JPEL"). Subsequently on 20 January 2016 the selective capital reduction was completed.

On 12 January 2016 the Company issue 99,540,000 new ordinary shares to raise funds for (i) oil drilling service in West Jambi, Sumatra, Indonesia, (ii) expansion of oil drilling services operations and (iii) general working capital of the Group.

Following the completion of the selective capital reduction of 76,000,000 shares and the placement of 99,540,000 new shares, the issued and paid-up share capital of the Company is 496,158,657 ordinary shares.

\* Not applicable as at the Company was incorporated on 31 October 2014. It should be noted that the total number of issued shares (excluding treasury shares) for GSSL as at 31 August 2014 was 315,018,657.

- 1 (d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 31 December 2015.



2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagement to review Financial Statement), or an equivalent standard.**

The figures have not been audited or reviewed by the external auditors of the Company.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31.08.2014 as well as applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 01.09.2014.

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.**

The adoption of the new/revised FRS did not result in any material impact on the Group's results.

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			
	4Q FY2015 (3 months) S'pore cents	4Q FY2014 (3 months) S'pore cents	1 Jan 2015 to 31 Dec 2015 (12 months) S'pore cents	1 Jan 2014 to 31 Dec 2014 (12 months) S'pore cents
Based on the number of shares in issue during the period	(0.26)	0.25	(3.97)	0.38
On fully diluted basis	(0.26)	0.25	(3.97)	0.38

Excluding the S\$32.88 million impairment losses, the 12M 2015 earning per ordinary share of the Group is 2.99 Singapore cents.

**Item 6: The earnings per share for the period from 1 October 2015 to 31 December 2015 and 1 January 2015 to 31 December 2015 are calculated based on the weighted average share capital in issue during the period of 472,618,657 ordinary shares (1 October 2014 to 31 December 2014: 472,618,657 ordinary shares and 1 January 2014 to 31 December 2014 : 352,982,493 ordinary shares).**

The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

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	
	31 December 2015 S'pore cents	31 August 2014 <sup>1</sup> S'pore cents	31 December 2015 S'pore cents	31 August 2014 <sup>2</sup> S'pore cents
Net assets valued per ordinary share based on issued share of the company at the end of the financial period/year (S'pore cents)	2.81	4.85	5.21	NA

**Item 7: The net assets value per share for the period ended 31 December 2015 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 472,618,657 ordinary shares (31 August 2014: 315,018,657 ordinary shares).**

Note :

<sup>1</sup> The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

<sup>2</sup> Not applicable as the Company was incorporated on 31 October 2014 with one (1) share at S\$1.

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 following:-**

**(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 Company was incorporated in Singapore on 31 October 2014.
- (ii) Pursuant to the Restructuring Exercise by way of a scheme of arrangement under Section 210 of the Companies Act (Cap. 50) by GSSL, approved by its shareholders on 18 December 2014, the Company acquired all the shares of GSSL for a consideration of one (1) new share in the Company for each share in GSSL.  
  
GSSL, thereafter, became a 100% owned subsidiary of the Company.
- (iii) The shares of GSSL were delisted from the Catalist Board of the SGX-ST on 12 February 2015 and the shares of the Company were listed on Catalist on the same date.
- (iv) GSSL is engaged in the manufacturing of microshafts and plastic injection moulding parts and in the assembly of mechanisms and printed circuit board assembly. On 10 September 2014, it acquired 53.68% of the shareholdings of Cepu Sakti Energy Pte Ltd ("CSE").

The Company and its subsidiaries ("Group") are therefore, engaged in the following business sectors for the period under review :

- Precision engineering business ("PE")
- Oilfield operation services business ("O&G")

- (v) On 24 July 2015, the Company announced termination of the cooperation agreement for the management of old wells at Dandangilo-Wonocolo and Ngrayong Fields in Kedewan-Bojonegoro, East Java. The Group assessed its O&G business and made a net impairment losses of S\$32.88 million in 2Q 2015.
- (vi) On 14 August 2015, the Company entered into a settlement agreement to adjust the purchase consideration for the above-mentioned acquisition ("**Consideration**") and to acquire the remaining 46.32% in the issued and paid-up capital of CSE for a consideration of S\$1.00. The Group effectively acquired 100% of the issued and paid up capital of CSE for a total cash consideration of S\$15,000,001. Details of the settlement agreement was announced on 17 August 2015.
- (vii) On 12 January 2016 the Company issue 99,540,000 new ordinary shares to raise funds for (i) oil drilling service in West Jambi, Sumatra, Indonesia, (ii) expansion of oil drilling services operations and (iii) general working capital of the Group. Following the completion of the selective capital reduction of 76,000,000 shares and the placement of 99,540,000 new shares, the issued and paid-up share capital of the Company is 496,158,657 ordinary shares.
- (viii) The Group has adopted 31 December 2015 as its financial year-end.  
The Group is currently reporting its consolidated results for the fourth quarter and twelve months ended 31 December 2015.

#### **Consolidated Income Statement**

- (ix) The Group achieved a turnover of S\$67.64 million for 12M 2015 as compared to S\$68.73 for the corresponding period in 2014.
- (x) The gross profit for 12M 2015 is S\$18.15 million, representing 26.83% of the turnover as compared to S\$16.38 million (23.83% of 12M 2014 turnover) in the corresponding period in 2014.
- (xi) Total selling and administration expenses of S\$13.59 million were incurred for 12M 2015. This includes S\$8.67 million incurred for the PE business, S\$3.31 million for the O&G business and S\$1.61 million for corporate expenses including one-off expenses for the acquisition of the stake in CSE, the related share placement exercise, the scheme of arrangement to transfer the Catalyst listing to the Company and the investment agreement entered into to drill 2 oil wells in West Jambi, Sumatra, Indonesia.
- (xii) The Group incurred S\$0.85 million other operating expenses for 12M 2015. This includes \$0.85 million incurred for the PE business.
- (xiii) The Group incurred a net loss after tax of S\$28.25 million for 12M 2015 after taking into consideration corporate expenses and net impairment losses.
- (xiv) The net loss attributable to the Group, after deducting non-controlling interest stands at S\$18.75 million.

#### **PE Business**

- (xv) The PE business recorded a turnover of S\$63.12 million for 12M 2015 as compared to S\$61.23 million for the corresponding period in 2014.
- (xvi) The 12M 2015 gross margin for PE was S\$16.34 million (25.89% of PE turnover) as compared to S\$12.49 million (20.40% of PE turnover) for the corresponding period in 2014. The improvement was mainly due to the Group's improved production productivity.
- (xvii) The PE recorded other income of S\$3.67 million in 12M 2015. This is mainly attributable to the first tranche of compensation of \$2.82 million received in 3Q 2015 under the land acquisition agreement ("**Agreement**") with Changzhou Government State Land Office ("**CGSLO**"), in which CGSLO acquired the land (the "Acquisition") currently occupied by Changzhou Giken Precision Co Ltd ("**CGP**").
- (xviii) Other operating expenses increased to S\$0.85 million in 12M 2015 due to property written off as part of the Agreement mentioned in para 8 (xvii).
- (xix) The PE business recorded a net profit after tax of S\$8.86 million in 12M 2015 as compared to S\$2.99 million in corresponding period in 2014. Excluding first tranche net compensation of S\$1.27 million related to land acquisition by CGSLO, the net profit after tax would have been S\$7.59 million.

#### **O&G Business**

- (xx) The O&G business achieved a turnover of S\$4.52 million for 12M 2015 as compared to S\$7.50 million for the corresponding period in 2014. The cooperation agreement for management of old wells at Dandangilo-Wonocolo and Ngrayong Fields in Kedewan-Bojonegoro, East Java, was terminated as announced on 24 July 2015.
- (xxi) Excluding the net impairment losses of S\$32.88 million, O&G achieved a net loss after tax of S\$2.66 million in 12M 2015 as compared to a net profit tax of S\$0.58 million in corresponding period in 2014.

#### **Consolidated Statement of Financial Position**

- (xxii) The Group's share capital as at 31 December 2015 is S\$73.46 million, an increase of S\$47.28 million from 31 August 2014. The shares allotted covered, 80 million placement shares and 1.6 million introducer shares for acquisition of CSE. Subsequent adjustment is detailed in para 1d(ii).
- (xxiii) Other receivables and deposits as at 31 December 2015 was S\$2.50 million, an increase of S\$2.15 million from 31 August 2014. The increase was mainly attributable to S\$2.09 million deposit paid to Ramba Energy West Jambi Limited for drilling of two wells located in West Jambi, Sumatra, Indonesia.
- (xxiv) Other payables and accruals as at 31 December 2015 was S\$5.64 million, an increase of S\$2.75 million from 31 August 2014. The increase was mainly attributable to increase of S\$1.09 million VAT payable and S\$1.35 million well rights payable.
- (xxv) Amount due to a related party as at 31 December 2015 was S\$3.76 million. This is attributable to loans extended to CSE from JPEL. The amount was waived on 20 January 2016 upon the completion of the settlement arrangement with JPEL.
- (xxvi) The net assets of the Group as at 31 December 2015 was S\$13.75 million.

#### **Consolidated Statement of Cash Flows**

- (xxvii) The Group generated a net cash inflow of S\$0.69 million from its operating activities during the period.
- (xxviii) Net cash used in investing activities during the period was S\$2.02 million. This was mainly attributable to purchase in machineries and equipment S\$1.18 million, addition to leasehold improvement S\$0.83 million and purchase of a new piece of land S\$1.77 million.
- (xxix) Net cash generated by financing activities during the period was S\$1.87 million and was due to loans extended from a related party. The amount was waived on 20 January 2016 upon the completion of the settlement agreement.
- (xxx) Net cash and cash equivalents as at 31 December 2015 stood at S\$10.23 million, an increase of S\$0.61 million from 31 December 2014.

#### **Others**

- (xxxi) The Group entered into an agreement with Ramba Energy West Jambi Limited and Ramba Energy Exploration Limited on 18 May 2015 to drill 2 onshore oil wells in West Jambi, Sumatra, Indonesia.

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

The Group did not make any forecast or prospect statement for the current period 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 continues to operate both in the PE and O&G sectors. The Group continues in challenging environment with weak economic outlook and depressed oil prices.

In the PE business, we are encourage by prospect business from existing customers and new customers.

In the O&G business, the Group maintains a cautious look with the depressed global oil prices. The Group will continue to actively source for new growth opportunities selectively.

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.

**(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.**

No dividend has been declared / recommended.

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.**

Not applicable.

14 **Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

Not applicable.

15 **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.**

The Group raised net proceeds amounted to approximately S\$22,700,000 from the issue of 80,000,000 new ordinary shares in September 2014.

As at the date of this announcement, the use of the proceeds from issuance of new ordinary shares is as follows:

Use of Proceeds	Percentage Allocation	Amount utilised as at the date of this announcement	Percentage utilisation	Balance
First Tranche of the Cash Consideration in respect of the Acquisition	Approximately 60% to 66%	S\$15,000,000	Approximately 66%	-
Shareholders' Loan	Approximately 20% to 28%	S\$6,250,000	Approximately 28%	-
General working capital of the Group	Approximately 6% to 20%	S\$1,450,000	Approximately 6%	-

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1,Q2,Q3 or Half Year Results)**

- 16 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Precision Engineering S\$'000	Oil & Gas S\$'000	Eliminations S\$'000	Group S\$'000		
<b>January 2015 to December 2015 (Unaudited)</b>						
<b>Revenue</b>						
External customers	63,124	4,518	-	67,642		
Intersegment revenues	-	-	-	-		
Total revenue	63,124	4,518	-	67,642		
<b>Results</b>						
Operating profit/(loss)	10,568	(34,693)	(67)	(24,192)		
Unallocated expenses	-	-	-	(1,599)		
Interest income	190	-	(52)	138		
Interest expense	(1)	(157)	157	(1)		
Share of results of joint venture	-	(6)	-	(6)		
Income tax expenses	(1,901)	(692)	-	(2,593)		
Non-controlling interests	(122)	9,623	-	9,501		
Net Profit/(Loss)	8,734	(25,925)	38	(18,752)		
<b>Segment assets and liabilities</b>						
Segment assets	41,922	2,154	(5,955)	38,121		
Segment liabilities	14,083	18,928	(8,638)	24,373		
<b>Other segment information</b>						
Allowance for inventory obsolescence written back	(49)	-	-	(49)		
Capital expenditure	(3,803)	(4)	-	(3,807)		
Compensation for expropriation of land and building by Changzhou Government State Land Office	2,816	-	-	2,816		
Depreciation and amortisation	(1,505)	(391)	-	(1,896)		
Property, plant and equipment written off	(859)	(143)	-	(1,002)		
<b>September 2013 to August 2014 (Audited)<sup>1</sup></b>						
<b>Revenue</b>						
External customers	69,016	-	-	69,016		
Intersegment revenues	-	-	-	-		
Total revenue	69,016	-	-	69,016		
<b>Results</b>						
Operating profit	2,439	-	-	2,439		
Interest income	47	-	-	47		
Interest expense	(62)	-	-	(62)		
Income tax expenses	(307)	-	-	(307)		
Non-controlling interests	(13)	-	-	(13)		
Net profit	2,104	-	-	2,104		
<b>Segment assets and liabilities</b>						
Segment assets	28,594	-	-	28,594		
Segment liabilities	13,031	-	-	13,031		
<b>Other segment information</b>						
Inventories obsolescence	113	-	-	113		
Capital expenditure	1,193	-	-	1,193		
Depreciation and amortisation	1,336	-	-	1,336		
Property, plant and equipment written off	4	-	-	4		
<b>Geographical Segments</b>						
	Group Turnover		Group Assets		Group Expenditure	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	14,876	29,751	13,442	13,616	91	259
Indonesia	34,563	19,086	9,522	6,302	1,513	475
Germany	2,253	7,785	-	-	-	-
China	9,090	7,329	13,071	8,675	2,253	459
Other Countries	6,860	5,065	2,086	-	-	-
	67,642	69,016	38,121	28,593	3,857	1,193

**Note**

<sup>1</sup> The Company was incorporated on 31 October 2014 and had upon incorporation adopted 31 December as its financial year-end. The financial information of the Group was prepared using the "pooling-of interest" method and the comparative figures as at 31 August 2014 have been presented assuming the Group has been in existence since 1 September 2013.

17 In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments

See paragraph 8 and 16.

18 A breakdown of sales

	Group		Increase /(Decrease)
	12 months ended		
	31 December	31 December	
	2015	2014	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	34,568	31,755	8.86%
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(30,020)	1,119	NM
(c) Sales reported for second half year	33,074	36,973	(10.55)%
(d) Operating profit after tax before deducting minority interests reported for second half year	4,361	926	NM

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full period.

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Period (S\$'000)
Ordinary	0	0
Preference	0	0
Total :	0	0

NA

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a there are no such person, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying any managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ng Say Tiong  
Company Secretary

Date 29 February 2016

*This document 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this document. This document 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 document.*

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