



GSS ENERGY LIMITED

RCB No: 201432529C

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2017

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 Consolidated statement of comprehensive income for the fourth quarter and twelve (12) months ended 31 December 2017. These figures have not been audited.

	Group					
	4Q2017 ¹ (3 months) (S\$'000)	4Q2016 ² (3 months) (S\$'000)	Change in %	12M2017 ³ (12 months) (S\$'000)	12M2016 ⁴ (12 months) (S\$'000)	Change in %
Revenue	24,147	20,413	18.29%	94,327	75,709	24.59%
Cost of Sales	<u>(20,295)</u>	<u>(15,776)</u>	28.64%	<u>(75,226)</u>	<u>(57,807)</u>	30.13%
Gross Profit	3,852	4,637	(16.93)%	19,101	17,902	6.70%
Other items of income						
Other income	1,417	457	>100.00%	3,439	10,072	(65.86)%
Other items of expenses						
Distribution and selling expenses	(2,020)	(2,836)	(28.77)%	(7,708)	(7,877)	(2.15)%
Administrative expenses	(2,209)	(1,495)	47.76%	(7,047)	(5,350)	31.72%
Other operating expenses	(375)	877	NM	(1,969)	(2)	>(100.00)%
Profit from operations	<u>665</u>	<u>1,640</u>	(59.45)%	<u>5,816</u>	<u>14,745</u>	(60.56)%
Finance income	43	96	(55.21)%	198	213	(7.04)%
Finance costs	(15)	(6)	>100.00%	(21)	(15)	40.00%
Share of results of joint venture (net of tax)	<u>-</u>	<u>(2)</u>	(100.00)%	<u>-</u>	<u>(2)</u>	(100.00)%
Profit before income tax	693	1,728	(59.90)%	5,993	14,941	(59.89)%
Income tax expense	<u>(295)</u>	<u>380</u>	NM	<u>(1,779)</u>	<u>(1,559)</u>	14.11%
Profit for the financial period/year	<u>398</u>	<u>2,108</u>	(81.12)%	<u>4,214</u>	<u>13,382</u>	(68.51)%
Other comprehensive income:						
<i>Items that will not be reclassified subsequently to profit and loss</i>						
Remeasurement of defined benefit pension scheme	(189)	(260)	(27.31)%	(189)	(260)	(27.31)%
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translation of foreign operations	95	183	(48.09)%	(38)	(364)	(89.56)%
Reclassification relating to disposal of a subsidiary	<u>-</u>	<u>-</u>	NM	<u>-</u>	<u>221</u>	(100.00)%
Other comprehensive income for the financial period/year, net of tax	<u>(94)</u>	<u>(77)</u>	NM	<u>(227)</u>	<u>(403)</u>	(43.67)%
Total comprehensive income for the financial period/year	<u>304</u>	<u>2,031</u>	(85.03)%	<u>3,987</u>	<u>12,979</u>	(69.28)%
Profit attributable to:-						
Owners of the parent	454	2,190	(79.27)%	4,355	13,461	(67.65)%
Non-controlling interests	(56)	(82)	(31.71)%	(141)	(79)	78.48%
	<u>398</u>	<u>2,108</u>	(81.12)%	<u>4,214</u>	<u>13,382</u>	(68.51)%
Other comprehensive income attributable to:-						
Owners of the parent	357	2,116	(83.13)%	4,119	13,066	(68.49)%
Non-controlling interests	(53)	(85)	(37.65)%	(132)	(87)	51.72%
	<u>304</u>	<u>2,031</u>	(85.03)%	<u>3,987</u>	<u>12,979</u>	(69.28)%

1 (a) (ii) Other information

	Unaudited 4Q2017 ¹ (3 months) (S\$'000)	Unaudited 4Q2016 ² (3 months) (S\$'000)	Group		Audited 12M2016 ⁴ (12 months) (S\$'000)	Change in %
			Change in %	Unaudited 12M2017 ³ (12 months) (S\$'000)		
Interest income	43	96	(55.21)%	198	213	(7.04)%
Finance costs	(15)	(6)	>100.00%	(21)	(15)	40.00%
Amortisation of intangible assets	(12)	5	NM	(7)	(39)	(82.05)%
Amortisation of land use rights	(13)	(66)	(80.30)%	(159)	(269)	(40.89)%
Depreciation of property, plant and equipment	(449)	(321)	39.88%	(1,473)	(1,247)	18.12%
Foreign exchange (loss)/gain, net	(370)	1,249	NM	(1,916)	407	NM
Property, plant and equipment written off	-	(1)	(100.00)%	-	(1)	(100.00)%
Other receivables written off	-	-	NM	-	(105)	(100.00)%
Allowance for inventory obsolescence	-	(206)	(100.00)%	-	(206)	(100.00)%
Allowance for inventory obsolescence written back	82	31	>100.00%	82	31	>100.00%
Compensation for acquisition of land and building by Changzhou Government State Land Office, net of tax	1,009	-	NM	2,300	2,393	(3.89)%
Net gain from disposal of a subsidiary	-	-	NM	-	6,061	(100.00)%
Share option expenses	(349)	-	NM	(1,121)	-	NM

Notes

¹ "4Q2017": Period from 1 Oct 2017 to 31 Dec 2017

² "4Q2016": Period from 1 Oct 2016 to 31 Dec 2016

³ "12M2017": Period from 1 Jan 2017 to 31 Dec 2017

⁴ "12M2016": Period from 1 Jan 2016 to 31 Dec 2016

⁵ "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.

Statement of Financial Position

	Group As at			Company As at		
	31 December 2017	31 December 2016	Change in	31 December 2017	31 December 2016	Change in
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
ASSETS						
Non-current assets						
Property, plant and equipment	10,179	6,370	59.80%	-	-	NM
Intangible assets	71	9	>100.00%	-	-	NM
Land use rights	1,560	1,749	(10.81)%	-	-	NM
Exploration and evaluation assets	12,444	4,057	>100.00%	-	-	NM
Investment in subsidiaries	-	-	NM	28,683	28,603	0.28%
Investment in joint venture	-	40	(100.00)%	-	40	(100.00)%
Goodwill	112	112	0.00%	-	-	NM
Due from a subsidiary	-	-	NM	13,351	5,588	>100.00%
	<u>24,366</u>	<u>12,337</u>	<u>97.50%</u>	<u>42,034</u>	<u>34,231</u>	<u>22.80%</u>
Current assets						
Inventories	10,003	6,490	54.13%	-	-	NM
Trade receivables	24,763	18,908	30.97%	-	-	NM
Other receivables and deposits	1,903	756	>100.00%	3	-	NM
Prepayment	174	129	34.88%	10	9	11.11%
Short-term investment	7,381	3,337	>100.00%	-	-	NM
Pledged deposit	1,659	594	>100.00%	-	-	NM
Cash and cash equivalents	4,719	14,942	(68.42)%	11	527	(97.91)%
	<u>50,602</u>	<u>45,156</u>	<u>12.06%</u>	<u>24</u>	<u>536</u>	<u>(95.52)%</u>
Total assets	<u>74,968</u>	<u>57,493</u>	<u>30.40%</u>	<u>42,058</u>	<u>34,767</u>	<u>20.97%</u>
EQUITY AND LIABILITIES						
Current liabilities						
Trade payables	16,162	11,807	36.88%	-	-	NM
Other payables and accruals	9,062	4,409	>100.00%	312	363	(14.05)%
Due to a subsidiary	-	-	NM	12,753	3,829	>100.00%
Current income tax payable	2,348	1,946	20.66%	-	-	NM
Loan and borrowings	2,897	93	>100.00%	-	-	NM
	<u>30,469</u>	<u>18,255</u>	<u>66.91%</u>	<u>13,065</u>	<u>4,192</u>	<u>>100.00%</u>
Net current assets/(liabilities)	<u>20,133</u>	<u>26,901</u>	<u>(25.16)%</u>	<u>(13,041)</u>	<u>(3,656)</u>	<u>>100.00%</u>
Non-current liabilities						
Loan and borrowings	-	21	(100.00)%	-	-	NM
Retirement benefit obligations	1,365	1,326	2.94%	-	-	NM
	<u>1,365</u>	<u>1,347</u>	<u>1.34%</u>	<u>-</u>	<u>-</u>	<u>NM</u>
Total liabilities	<u>31,834</u>	<u>19,602</u>	<u>62.40%</u>	<u>13,065</u>	<u>4,192</u>	<u>>100.00%</u>
Net assets	<u>43,134</u>	<u>37,891</u>	<u>13.84%</u>	<u>28,993</u>	<u>30,575</u>	<u>(15.41)%</u>
Equity attributable to owners of the parent						
Share capital	58,522	58,522	0.00%	58,522	58,522	0.00%
Accumulated losses	(17,502)	(21,535)	(4.54)%	(30,650)	(27,947)	9.67%
Other reserves	2,196	989	>100.00%	1,121	-	NM
	<u>43,216</u>	<u>37,976</u>	<u>13.80%</u>	<u>28,993</u>	<u>30,575</u>	<u>(5.17)%</u>
Non-controlling interests	<u>(82)</u>	<u>(85)</u>	<u>(3.53)%</u>	<u>-</u>	<u>-</u>	<u>NM</u>
Total equity	<u>43,134</u>	<u>37,891</u>	<u>13.84%</u>	<u>28,993</u>	<u>30,575</u>	<u>(5.17)%</u>
Total equity and liabilities	<u>74,968</u>	<u>57,493</u>	<u>30.40%</u>	<u>42,058</u>	<u>34,767</u>	<u>20.97%</u>

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

Amount repayable in one year or less, or on demand

As at 31.12.2017		As at 31.12.2016	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
2,897	-	93	-

Amount repayable after one year

As at 31.12.2017		As at 31.12.2016	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	-	21	-

Note:

Details of any collateral

- a) The short-term bank loan of a subsidiary company is secured by a fixed deposit placed with the bank.
- b) The short-term bank loan and invoice financing of a subsidiary company is secured by corporate guarantee of the Company.
- c) Finance lease liability of S\$0.05 million is secured by a subsidiary company's motor vehicles acquired under a finance lease arrangement.

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 4Q2017 ¹ (3 months) (S\$'000)	Unaudited 4Q2016 ² (3 months) (S\$'000)	Unaudited 12M2017 ³ (12 months) (S\$'000)	Audited 12M2016 ⁴ (12 months) (S\$'000)
Operating activities				
Profit before income tax	693	1,728	5,993	14,941
Adjustments for:				
Allowance for inventory obsolescence	-	206	-	206
Allowance for inventory obsolescence written back	(82)	(31)	(82)	(31)
Amortisation of intangible assets	12	(5)	7	39
Amortisation of land use rights	13	66	159	269
Compensation for acquisition of land and building by Changzhou Government State Land Office	(1,344)	-	(3,128)	(3,185)
Depreciation of property, plant and equipment	449	321	1,473	1,247
Finance costs	15	6	21	15
Net gain from disposal of a subsidiary (non-cash accounting gain)	-	-	-	(6,061)
Other receivables written off	-	-	-	105
Property, plant and equipment written off	-	1	-	1
Share of results of joint venture	-	2	-	2
Interest income	(43)	(96)	(198)	(213)
Unrealised exchange difference	(868)	-	(868)	(772)
Share option expenses	349	-	1,121	-
Operating cash flows before working capital changes	(806)	2,198	4,498	6,563
Working capital changes				
Inventories	(1,284)	(969)	(3,487)	(1,735)
Trade receivables	1,726	(765)	(5,990)	(4,793)
Other receivables and deposits	832	(307)	(1,147)	(558)
Prepayments	284	109	(56)	17
Trade payables	1,500	537	5,007	2,977
Other payables and accruals	3,919	771	5,441	1,266
Retirement benefit obligations	39	(34)	39	226
Cash generated from operations	6,210	1,540	4,305	3,963
Interest received	43	96	198	213
Interest paid	(15)	(6)	(21)	(15)
Income tax paid	(916)	(669)	(1,444)	(1,073)
Net cash generated from operating activities	5,322	961	3,038	3,088
Investing activities				
Payment for intangible assets	(45)	(9)	(69)	(9)
Payment for purchase of property, plant and equipment	(1,217)	(626)	(5,320)	(3,648)
Payment for exploration and evaluation assets	(5,580)	684	(9,006)	(1,828)
Net cash from acquisition of a joint venture	-	-	40	-
Addition to short-term investments	(4,090)	12	(4,091)	(2,918)
Proceeds from disposal of subsidiary, net of cash	-	-	-	(2)
Compensation for acquisition of land and building by Changzhou Government State Land Office	1,344	-	3,128	3,185
Net cash (used in)/generated from investing activities	(9,588)	61	(15,318)	(5,220)
Financing activities				
Short-term deposit pledged	(1,104)	(294)	(1,072)	(594)
Payment for acquisition of additional equity interest from a non-controlling shareholder	-	-	-	(457)
Proceeds from bank loans	2,158	-	2,943	270
Capital contribution from a non-controlling interest of a subsidiary	-	-	135	7,864
Proceeds from finance leases	33	-	33	-
Repayment of bank loans	(71)	(64)	(145)	(228)
Repayment of obligations under finance leases	(24)	(5)	(48)	(13)
Net cash generated from/(used in) financing activities	992	(363)	1,846	6,842
<i>Net change in cash and cash equivalents</i>	<i>(3,274)</i>	<i>659</i>	<i>(10,434)</i>	<i>4,710</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>323</i>	<i>98</i>	<i>211</i>	<i>2</i>
<i>Cash and cash equivalents at beginning of period/year</i>	<i>7,670</i>	<i>14,185</i>	<i>14,942</i>	<i>10,230</i>
Cash and cash equivalents at end of the period/year	4,719	14,942	4,719	14,942

Notes

¹ "4Q2017": Period from 1 Oct 2017 to 31 Dec 2017

² "4Q2016": Period from 1 Oct 2016 to 31 Dec 2016

³ "12M2017": Period from 1 Jan 2017 to 31 Dec 2017

⁴ "12M2016": Period from 1 Jan 2016 to 31 Dec 2016

- 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	Share options 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	S\$'000
The Group										
Balance at 1 January 2017	58,522	-	873	119	-	(21,535)	(3)	37,976	(85)	37,891
Net profit/(loss) for the financial period	-	-	-	-	-	1,049	-	1,049	(15)	1,034
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	(274)	-	-	-	(274)	(1)	(275)
Other comprehensive income for the financial period	-	-	-	(274)	-	-	-	(274)	(1)	(275)
Total comprehensive income for the financial period	-	-	-	(274)	-	1,049	-	775	(16)	759
Others										
Share option expenses	-	-	-	-	138	-	-	138	-	138
Balance at 31 March 2017	58,522	-	873	(155)	138	(20,486)	(3)	38,889	(101)	38,788
Net profit/(loss) for the financial period	-	-	-	-	-	713	-	713	(30)	683
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	32	-	-	-	32	5	37
Other comprehensive income for the financial period	-	-	-	32	-	-	-	32	5	37
Total comprehensive income for the financial period	-	-	-	32	-	713	-	745	(25)	720
Others										
Share option expense	-	-	-	-	285	-	-	285	-	285
Capital contribution from a non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	135	135
Total others	-	-	-	-	285	-	-	285	135	420
Balance at 30 June 2017	58,522	-	873	(123)	423	(19,773)	(3)	39,919	9	39,928
Net profit/(loss) for the financial period	-	-	-	-	-	2,139	-	2,139	(40)	2,099
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	103	-	-	-	103	2	105
Other comprehensive income for the financial period	-	-	-	103	-	-	-	103	2	105
Total comprehensive income for the financial period	-	-	-	103	-	2,139	-	2,242	(38)	2,204
Others										
Share option expenses	-	-	-	-	349	-	-	349	-	349
Balance at 30 September 2017	58,522	-	873	(20)	772	(17,634)	(3)	42,510	(29)	42,481
Net profit/(loss) for the financial period	-	-	-	-	-	454	-	454	(56)	398
Other comprehensive income for the financial period										
Remeasurement of defined benefit scheme	-	-	-	-	-	(189)	-	(189)	-	(189)
Exchange differences arising from translation of foreign operations	-	-	-	92	-	-	-	92	3	95
Other comprehensive income for the financial period	-	-	-	92	-	(189)	-	(97)	3	(94)
Total comprehensive income for the financial period	-	-	-	92	-	265	-	357	(53)	304
Contributions by owners										
Transfer to statutory reserve	-	-	133	-	-	(133)	-	-	-	-
Others										
Share option expenses	-	-	-	-	349	-	-	349	-	349
Balance at 31 December 2017	58,522	-	1,006	72	1,121	(17,502)	(3)	43,216	(82)	43,134

	Share capital	Capital reserve	Statutory reserve fund	Foreign currency translation reserves	Share options 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	S\$'000
The Group										
Balance at 1 January 2016	73,458	(22,800)	702	254	-	(31,720)	(6,602)	13,292	456	13,748
Net profit for the financial period	-	-	-	-	-	662	-	662	3	665
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	(347)	-	-	-	(347)	(5)	(352)
Other comprehensive income for the financial period	-	-	-	(347)	-	-	-	(347)	(5)	(352)
Total comprehensive income for the financial period	-	-	-	(347)	-	662	-	315	(2)	313
Contributions by owners										
Issue of ordinary shares	7,864	-	-	-	-	-	-	7,864	-	7,864
Capital reduction	(22,800)	22,800	-	-	-	-	-	-	-	-
	(14,936)	22,800	-	-	-	-	-	7,864	-	7,864
Changes in ownership of interests in subsidiaries										
Acquisition of subsidiary with non-controlling interests without a change in control	-	-	-	-	-	-	(3)	(3)	(454)	(457)
Others										
Wavier of debt by former non-controlling interest	-	-	-	-	-	-	3,757	3,757	-	3,757
Balance at 31 March 2016	58,522	-	702	(93)	-	(31,058)	(2,848)	25,225	-	25,225
Net profit for the financial period	-	-	-	-	-	9,131	-	9,131	-	9,131
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	(346)	-	-	-	(346)	-	(346)
Reclassification relating to disposal of a subsidiary	-	-	-	221	-	-	-	221	-	221
Other comprehensive income for the financial period	-	-	-	(125)	-	-	-	(125)	-	(125)
Total comprehensive income for the financial period	-	-	-	(125)	-	9,131	-	9,006	-	9,006
Others										
Transfer after disposal of a subsidiary	-	-	-	-	-	(2,845)	2,845	-	-	-
Balance at 30 June 2016	58,522	-	702	(218)	-	(24,772)	(3)	34,231	-	34,231
Net profit for the financial period	-	-	-	-	-	1,478	-	1,478	-	1,478
Other comprehensive income for the financial period										
Exchange differences arising from translation of foreign operations	-	-	-	151	-	-	-	151	-	151
Other comprehensive income for the financial period	-	-	-	151	-	-	-	151	-	151
Total comprehensive income for the financial period	-	-	-	151	-	1,478	-	1,629	-	1,629
Balance at 30 September 2016	58,522	-	702	(67)	-	(23,294)	(3)	35,860	-	35,860
Net profit/(loss) for the financial period	-	-	-	-	-	2,190	-	2,190	(82)	2,108
Other comprehensive income for the financial period										
Remeasurement of defined benefit scheme	-	-	-	-	-	(260)	-	(260)	-	(260)
Exchange differences arising from translation of foreign operations	-	-	-	186	-	-	-	186	(3)	183
Other comprehensive income for the financial period	-	-	-	186	-	(260)	-	(74)	(3)	(77)
Total comprehensive income for the financial period	-	-	-	186	-	1,930	-	2,116	(85)	2,031
Contributions by owners										
Transfer to statutory reserve	-	-	171	-	-	(171)	-	-	-	-
Balance at 31 December 2016	58,522	-	873	119	-	(21,535)	(3)	37,976	(85)	37,891

Statement of Changes in Equity for Fourth Quarter ended 31 Dec 2017 (cont'd)

	Share capital	Share option reserves	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 1 January 2017	58,522	-	(27,947)	-	30,575
Loss for the financial period	-	-	(511)	-	(511)
Total comprehensive income for the financial period	-	-	(511)	-	(511)
Share option expenses	-	138	-	-	138
Balance at 31 March 2017	58,522	138	(28,458)	-	30,202
Loss for the financial period	-	-	(735)	-	(735)
Total comprehensive income for the financial period	-	-	(735)	-	(735)
Share option expenses	-	285	-	-	285
Balance at 30 June 2017	58,522	423	(29,193)	-	29,752
Loss for the financial period	-	-	(671)	-	(671)
Total comprehensive income for the financial period	-	-	(671)	-	(671)
Share option expenses	-	349	-	-	349
Balance at 30 September 2017	58,522	772	(29,864)	-	29,430
Loss for the financial period	-	-	(786)	-	(786)
Total comprehensive income for the financial period	-	-	(786)	-	(786)
Share option expenses	-	349	-	-	349
Balance at 31 December 2017	58,522	1,121	(30,650)	-	28,993
Balance at 1 January 2016	73,458	-	(26,031)	(22,800)	24,627
Loss for the financial period	-	-	(668)	-	(668)
Total comprehensive income for the financial period	-	-	(668)	-	(668)
Issue of ordinary shares	7,864	-	-	-	7,864
Capital reduction	(22,800)	-	-	22,800	-
	(14,936)	-	-	22,800	7,864
Balance at 31 March 2016	58,522	-	(26,699)	-	31,823
Loss for the financial period	-	-	(364)	-	(364)
Total comprehensive income for the financial period	-	-	(364)	-	(364)
Balance at 30 June 2016	58,522	-	(27,063)	-	31,459
Loss for the financial period	-	-	(586)	-	(586)
Total comprehensive income for the financial period	-	-	(586)	-	(586)
Balance at 30 September 2016	58,522	-	(27,649)	-	30,873
Loss for the financial period	-	-	(298)	-	(298)
Total comprehensive income for the financial period	-	-	(298)	-	(298)
Balance at 31 December 2016	58,522	-	(27,947)	-	30,575

- 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.

There was no change in the Company's share capital for the three months ended 31 December 2017.

Share options

The GSS Energy Limited Executives' Share Option Scheme (the "GEL Scheme") was approved by the shareholders at the annual general meeting on 22 April 2016. During the financial period from October 2017 to December 2017, no share options were granted or exercised under the GEL Scheme. As at 31 December 2017, the number of shares that may be issued on conversion of all the outstanding share options was 47,200,000 (31 December 2016: Nil).

The movement of share options of the Company during the financial period from October 2017 to December 2017 are as follows:

Date of grant of options	Exercise price per share	Balance as at 01.10.2017	Number of options			Balance as at 31.12.2017	Balance as at 31.12.2016	Exercise period
			Granted during the financial period	Exercised during the financial period	Cancelled/lapsed during the financial period			
27.02.2017	S\$0.12320	10,000,000	-	-	-	10,000,000	-	28.02.2018 to 27.02.2022
27.02.2017	S\$0.09856	1,400,000	-	-	-	1,400,000	-	28.02.2019 to 27.02.2020
27.02.2017	S\$0.09856	35,800,000	-	-	-	35,800,000	-	28.02.2019 to 27.02.2022
Total		47,200,000	-	-	-	47,200,000	-	

7,400,000 share options granted to Mr Yeung Kin Bond, Sydney was approved by the shareholders at the annual general meeting on 24 April 2017.

Save as disclosed above, there were no other outstanding options and convertibles as at 31 December 2017 and 31 December 2016.

The Company has no treasury shares as at 31 December 2017 and 31 December 2016.

- 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 2017	31 Dec 2016
Total number of issued shares (excluding treasury shares)	496,158,657	496,158,657

There were no shares held as treasury shares at 31 December 2017 and 31 December 2016.

- 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 2017.

- 2 Whether are 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the financial year ended 31.12.2016 as well as applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 01.01.2017.

- 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 to 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			
	4Q2017 (3 months) S'pore cents	4Q2016 (3 months) S'pore cents	12M2017 (12 months) S'pore cents	12M2016 (12 months) S'pore cents
Earnings per ordinary share for the period:				
a) Based on weighted average number of shares in issue during the period	0.09	0.44	0.88	2.70
Weighted average number of ordinary shares	496,158,657	496,158,657	496,158,657	497,112,373
b) On a fully diluted basis	0.09	0.44	0.87	2.70
Adjusted weighted average number of ordinary shares	507,136,859	496,158,657	503,135,644	497,112,373

The adjusted weighted average number of ordinary shares the period from 1 October 2017 to 31 December 2017 and 1 January 2017 to 31 December 2017 for diluted earnings per share computation has taken into consideration of 7,400,000 share options granted to Mr Yeung Kin Bond, Sydney that was approved by the shareholders at the annual general meeting on 24 April 2017.

The basic and diluted earning per share for the period from 1 October 2016 to 31 December 2016 and 1 January 2016 to 31 December 2016 are the same as there were no potential dilutive ordinary shares as at 31 December 2016.

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 2017	31 December 2016	31 December 2017	31 December 2016
	S'pore cents	S'pore cents	S'pore cents	S'pore cents
Net assets value per ordinary share (S'pore cents)	8.71	7.65	5.84	6.16
Net tangible assets value per ordinary share (S'pore cents)	5.85	6.46	5.84	6.16

Item 7: The net assets/net tangible assets value per share for the period ended 31 December 2017 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 2016: 496,158,657 ordinary shares).

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 Group continues to be engaged in the precision engineering business ("PE") and oil and gas services business ("O&G").

Consolidated Income Statement

- (ii) The Group booked consolidated turnover of S\$94.33 million for 12M2017, a 24.59% increase over the S\$75.71 million turnover for 12M2016. The increase is mainly due to higher orders from existing customers and sales to new customers. The turnover for both periods was entirely contributed by the PE business.
- (iii) The Group achieved a gross margin of 20.25% for 12M2017 a drop from the 23.65% in 12M2016. This was due to changes in product mix, pricing challenges and foreign exchange rates.
- (iv) The Group recorded other income of S\$3.44 million in 12M2017 as compared to S\$10.07 million in 12M2016. The 12M2017 includes the third and fourth tranche for land compensation (cumulative gross - S\$3.13 million, cumulative net - S\$2.30 million), while 12M2016 includes an accounting gain from disposal of a subsidiary (S\$6.06 million) and the second tranche of land compensation (gross - S\$3.25 million, net - S\$2.39 million).
- (v) Total selling and administration expenses for 12M2017 was S\$14.76 million as compared to S\$13.23 million in 12M2016. This includes S\$10.31 million for the PE business, S\$1.84 million for the O&G business and S\$2.61 million for corporate expenses. The increase in corporate expenses was due mainly to share option expenses.
- (vi) The Group incurred other expenses of S\$1.97 million in 12M2017, attributable mainly to net foreign exchange losses.
- (vii) The Group recorded a net profit after tax of S\$4.21 million for 12M2017. PE business achieved a net profit after tax of S\$9.04 million as compared to S\$10.41 million in 12M2016 (excluding the net land compensation, the PE business' net profit after tax was S\$6.74 million as compared to S\$8.02 million in 12M2016). This was offset by a net loss of S\$2.50 million for O&G business and corporate expenses of S\$2.33 million (including share option expenses of S\$1.12 million). The decrease in PE business' profit was due mainly to net exchange losses of S\$1.24 million.

Consolidated Statement of Financial Position

- (viii) Property, plant and equipment as at 31 December 2017 was S\$10.18 million. This is an increase of S\$3.81 million from 31 December 2016 and includes S\$3.14 million for the construction of a new factory in Changzhou, China, S\$0.22 million to expand the production area in Batam, Indonesia and S\$1.63 million for new machineries and equipment, and partially offset by the depreciation of property, plant and equipment.
- (ix) Exploration and evaluation assets as at 31 December 2017 was S\$12.44 million, an increase of S\$8.39 million from 31 December 2016. The increase was attributable to capitalisation of S\$9.01 million expenses associated with Trembul Operation Area oil project in Indonesia. This was offset by differences in currency realignment on exploration and revaluation assets balances.
- (x) During 1Q2017 the Company acquired the remaining interest in a joint venture, GSS-AFCO Pte. Ltd. Subsequent to the acquisition, the wholly-owned subsidiary changed its name to Nusantara Resources Pte. Ltd.
- (xi) Inventories as at 31 December 2017 was S\$10.00 million, an increase of S\$3.51 million from 31 December 2016. This is due mainly to higher order forecast for the next 3 months and building up consumable inventories for Trembul Operation Area oil project.
- (xii) Trade receivables and trade payables as at 31 December 2017 was S\$24.76 million and S\$16.16 million, respectively. This is an increase of S\$5.86 million for trade receivables and S\$4.33 million for trade payables from 31 December 2016, due mainly to higher PE sales and purchases in 4Q2017.
- (xiii) Other receivables and deposits as at 31 December 2017 was S\$1.90 million, an increase of S\$1.15 million from 31 December 2016 was mainly for O&G business.
- (xiv) Pledged deposits as at 31 December 2017 was S\$1.66 million. The amount is placed with financial institutions in consideration for provision of guarantees issued for securing the Operations Cooperation Agreement with Pertamina and securing loan for a subsidiary.
- (xv) Other payables and accruals as at 31 December 2017 was S\$9.06 million, an increase of S\$4.65 million from 31 December 2016. This is mainly attributable to the for O&G business.
- (xvi) Income tax payable as at 31 December 2017 was S\$2.35 million. This is an increase S\$0.40 million from 31 December 2016 mainly attributable to tax provision for subsidiaries.
- (xvii) Loan and borrowings as at 31 December 2017 was S\$2.90 million, an increase of S\$2.78 million from 31 December 2016 mainly for financing drilling cost in Trembul Operating Area oil project.
- (xviii) The net assets of the Group as at 31 December 2017 was S\$43.13 million, compared to S\$37.89 million at 31 December 2016. Net assets per share as at 31 December 2017 was S\$0.087.

Consolidated Statement of Cash Flows

- (xix) The Group generated a net operating cash inflow of S\$3.04 million for 12M2017.
- (xx) Net cash of S\$15.32 million was used in investing activities during the period. This includes S\$9.01 million for expenditure on construction of infrastructure of facilities for oil well in Trembul Operation Area, S\$3.14 million for the construction of factory in Changzhou, China and S\$1.63 million on acquiring machineries and equipment for China and Batam operations. This was offset by S\$3.13 million for third and fourth tranche compensation (gross) received during the period.
- (xxi) Net cash generated by financing activities during the period was S\$1.85 million, due mainly to proceeds from bank loan of S\$2.94 million. This was offset by additional short-term deposit utilised as pledge for short-term loan, repayment of short-term loan and finance leases.
- (xxii) Net cash and cash equivalents as at 31 December 2017 stood at S\$4.72 million (exclude S\$1.66 million pledged deposit), a decrease of S\$10.23 million from 31 December 2016.

- 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 in the PE and O&G sectors.
- In the PE business, we continue to receive strong orders from existing customers, as well as orders from new customers. The Group has progressively added capacity to its plants in Batam, Indonesia and Changzhou, China to cater for growing orders. We continue to explore suitable opportunities to expand our business through acquisitions and/or strategic and operational arrangements.
- In the O&G business, the Group has channelled substantial resources to Trembul Operating Area in Central Java, Indonesia. The Group has completed the first phase of its 1st well in the Trembul Operating Area ("Well SGT-01") and made hydrocarbon discovery. We are currently working towards monetising sweet gas in well SGT-01 and re-entering P1 well with a dedicated workover program to potentially commercialise suspected liquid hydrocarbon. At the same time, we continue to selectively source for new growth and value opportunities.
- 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.**
- No general mandate for IPTs has been obtained from shareholders. There are no IPTs of S\$100,000 or more during the period under review.
- 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.**
- No proceeds were raised from IPO and other offerings for the period under review
- 16 **Confirmation by the issuer pursuant to Rule 720(1)**
- The Company confirms that undertakings under Rule 720(1) have been obtained from its directors and executive officers in the format set out in Appendix 7H.

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

- 17 **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	Corporate S\$'000	Eliminations S\$'000	Group S\$'000	
December 2017						
Revenue						
External customers	94,327	-	-	-	94,327	
Intersegment revenues	18,276	-	-	(18,276)	-	
Total revenue	112,603	-	-	(18,276)	94,327	
Results						
Operating profit/(loss)	10,641	(2,497)	(2,328)	-	5,816	
Interest income	193	5	-	-	198	
Interest expense	(15)	(6)	-	-	(21)	
Income tax expenses	(1,779)	-	-	-	(1,779)	
Non-controlling interests	2	139	-	-	141	
Net profit/(loss)	9,042	(2,359)	(2,328)	-	4,355	
Segment assets and liabilities						
Segment assets	91,069	14,897	24	(31,022)	74,968	
Segment liabilities	27,952	4,497	312	(927)	31,834	
Other segment information						
Allowance for inventory obsolescence written back	82	-	-	-	82	
Capital expenditure	(5,385)	(9,010)	-	-	(14,395)	
Compensation for expropriation of land and building by Changzhou Government State Land Office	3,128	-	-	-	3,128	
Depreciation and amortisation	(1,638)	(1)	-	-	(1,639)	
Net foreign exchange gain/(loss)	(1,238)	(677)	-	(1)	(1,916)	
December 2016						
Revenue						
External customers	75,709	-	-	-	75,709	
Intersegment revenues	12,772	-	-	(12,772)	-	
Total revenue	88,481	-	-	(12,772)	75,709	
Results						
Operating profit/(loss)	11,779	4,396	(1,430)	-	14,745	
Interest income	204	9	-	-	213	
Interest expense	(15)	-	-	-	(15)	
Share of results of equity accounted joint venture, net of tax	-	(2)	-	-	(2)	
Income tax expenses	(1,559)	-	-	-	(1,559)	
Non-controlling interests	(3)	82	-	-	79	
Net profit/(loss)	10,406	4,485	(1,430)	-	13,461	
Segment assets and liabilities						
Segment assets	57,168	4,392	576	(4,643)	57,493	
Segment liabilities	22,405	364	-	(3,167)	19,602	
Other segment information						
Allowance for inventory obsolescence written back	31	-	-	-	31	
Allowance for inventory obsolescence	(206)	-	-	-	(206)	
Capital expenditure	(3,734)	(1,828)	-	-	(5,562)	
Compensation for expropriation of land and building by Changzhou Government State Land Office	3,185	-	-	-	3,185	
Depreciation and amortisation	(1,555)	-	-	-	(1,555)	
Net foreign exchange gain/(loss)	262	145	-	-	407	
Gain on disposal of a subsidiary	-	6,061	-	-	6,061	
Geographical Segments						
	Group turnover		Non-current assets		Group expenditure	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	15,331	14,680	212	227	96	130
Indonesia	50,272	40,342	15,858	7,428	9,753	3,204
China	16,663	10,673	8,296	4,682	4,534	2,228
Other Countries	12,061	10,014	-	-	-	-
	94,327	75,709	24,366	12,337	14,383	5,562

18 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 17.

19 A breakdown of sales

	Group		Increase /(Decrease)
	12 months ended		
	31 December 2017	31 December 2016	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	44,747	35,146	27.32%
(b) Operating profit after tax before deducting minority interests reported for first half year	1,717	9,796	(82.47)%
(c) Sales reported for second half year	49,580	40,563	22.23%
(d) Operating profit after tax before deducting minority interests reported for second half year	2,497	3,586	(30.37)%

20 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

21 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 28 February 2018

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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