

GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

GSS Energy Posts Revenue of S\$48.7 million for 1H2019 Amid Global Economic Challenges

- The Precision Engineering (“PE”) business continues to focus on long-term strategies of pursuing higher value business opportunities and sustainable growth while monitor the market closely.
- The Group will continue to work with our partners towards monetisation of Trembul Production Area assets.

Singapore, 13 August 2019 – The Board of Directors (the “Board”) of GSS Energy Limited (“GSS Energy”, and together with its subsidiaries, the “Group”) announced its financial results for the six months ended 30 June 2019 (“1H2019”).

	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	3 months	3 months	%	6 months	6 months	%
	(\$'000)	(\$'000)		(\$'000)	(\$'000)	
Revenue	24,369	25,831	(5.7)	48,715	50,226	(3.0)
Gross Profit	3,759	5,272	(28.7)	7,669	10,966	(30.1)
<i>Gross Profit Margin</i>	<i>15.4%</i>	<i>20.4%</i>	<i>(5.0) ppt</i>	<i>15.7%</i>	<i>21.8%</i>	<i>(6.1) ppt</i>
Other Income	83	79	5.1	158	151	4.6
Total Expenses ¹	(3,186)	(3,087)	3.2	(6,578)	(6,573)	0.1
Foreign Exchange gain/(loss), net	(13)	1,029	NM	38	615	(93.8)
Corporate Expenses	(569)	(726)	(21.6)	(1,186)	(1,306)	(9.2)
Net profit/(loss) attributable to shareholders of the company	87	(538)	NM	(113)	132	NM

Note: ppt denotes percentage points, NM denotes Not Meaningful

FINANCIAL REVIEW

In 1H2019, the Group’s turnover was S\$48.7 million. This was entirely contributed by the PE business and a slight reduction when compared to corresponding period in 2018. The Group achieved a gross margin of 15.7% for 1H2019.

¹ Total expenses = Distribution and Selling Expenses + Administration Expenses + Other Operating Expenses

The total expenses was about S\$6.6 million. This includes business development expenses for new projects including electric vehicle business.

<i>Financial Positions</i>	As At 30 June 2019	As At 31 December 2018	Change
	(S\$'000)	(S\$'000)	%
Cash and Cash Equivalents	4,627	6,111	(24.3)
Total Assets	77,216	76,933	0.4
Loan and Borrowings	5,391	5,033	7.1
Total Liabilities	30,910	30,476	1.4
Total Equity	46,306	46,457	(0.3)
Net Asset Value per Share (Singapore cents)*	9.4	9.45	(0.5)

* The net asset value per share for the period ended 30 June 2019 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 2018: 496,158,657 ordinary shares)

The Group's balance sheet remains stable with S\$4.63 million in cash and cash equivalents, as of 30 June 2019. The Group's borrowings as at 30 June 2019 stood at S\$5.39 million. The Group's net asset value per share was at 9.4 Singapore cents per share as of 30 June 2019.

BUSINESS UPDATES AND OUTLOOK

The Group will focus its resources on the PE business following the disposal of a majority interest in Trembul Production Area.

The PE business was stable during the 1H2019 with existing and new customer strategizing with us to brace themselves during current global trade environment to better position their own businesses. We continue to focus on long-term strategies of pursuing higher value business opportunities and sustainable growth while monitor the market closely.

Commenting on the results of 1H2019 and outlook for the Group, Mr. Sydney Yeung, CEO remarked; ***"I am pleased to see the stabilisation of the Group's PE business amidst the current global economic situations and we are working towards developing and realising our various business initiatives."***

- End -

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

GSS Energy core operating business: Precision Engineering (“PE”). 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 (“SGXST”) 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

Issued by GSS Energy Limited

For more information, please contact:

Eugene Lee

Eugene.lee@giken.com.sg

Tel: (65) 6259 9133, Fax: (65) 6259 9822

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (“Sponsor”). It has not been examined or approved by Singapore Exchange Securities Trading Limited (“SGX-ST”) and SGX-ST assume 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.

The contact person for the Sponsor is Mr Bernard Lui;

Telephone no.: (65) 6389 3000;

Email address: bernard.lui@morganlewis.com