

# GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

## GSS Energy posted Revenue of S\$97.6 million and Gross Profit of S\$18.4 million for FY2019

- Group's revenue from its precision engineering business was S\$97.6 million for FY2019. No revenue was registered from the oil and gas business that was farmed out in June 2019. Overall, the Group recorded a net profit after tax of S\$1.4 million for FY2019.
- The Group's PE business volume remained steady in an environment of global economic uncertainties from the US-China trade disputes in FY2019.
- The Group's balance sheet as of 31 December 2019 is sound. With the farming out of the Trembul project, the Group continues to explore new business opportunities.

Singapore, 28 February 2020 – 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 twelve months ended 31 December 2019 ("12M2019").

### FINANCIAL REVIEW

	4Q2019	4Q2018	Change	FY2019	FY2018	Change
	3 months	3 months	%	12 months	12 months	%
	(S\$'000)	(S\$'000)		(S\$'000)	(S\$'000)	
Revenue	20,178	21,437	(5.9)	97,550	100,832	(3.3)
Gross Profit	4,645	3,986	16.5	18,432	20,664	(10.8)
Gross Profit Margin	23.0%	18.6%	4.4 ppt	18.9%	20.5%	(1.6) ppt
Other Income	172	507	(66.1)	438	708	(38.1)
Total Operating Expenses	(4,031)	(3,042)	32.5	(14,105)	(12,664)	11.4
EBITDA	941	1,105	(14.8)	5,097	7,496	(32.0)
Corporate Expenses	(492)	(861)	(42.9)	(2,172)	(3,104)	(30.0)
Impairment Expenses	-	(49)	(100.0)	-	(2,999)	(100.0)
Net profit attributable to shareholders of the company	531	862	(38.4)	2,033	2,311	(12.0)

Note: ppt denotes percentage points

The Group's FY2019 revenue of S\$97.6 million was from its PE business. It decreased by 3.3% from \$100.8 million in FY2018 to S\$97.6 million in FY2019. Gross profit was S\$18.4 million for FY2019, a 10.8% decrease from S\$20.7 million in FY 2018.

The Group's other income was lower at S\$0.4 million in FY2019 compared with S\$0.7 million in FY2018 which included government incentives of S\$0.5 million.

Total operating expenses of S\$14.1 million in FY2019 as against S\$12.7 million in FY2018 was due to start-up expenses associated with the electric mobility motorbike venture.

The Group recorded a net profit after tax of S\$1.4 million of FY2019. The PE business realised a net profit after tax of S\$4.2 million but this was offset by a net loss of S\$0.7 million for O&G, corporate expenses of S\$2.2 million and share of losses of equity-accounted investees of S\$0.02 million.

<i>Financial Positions</i>	As At	As At	Change
	31 December 2019	31 December 2018	
	(S\$'000)	(S\$'000)	%
Cash and Cash Equivalents	7,251	6,111	18.7
Total Assets	76,701	76,933	(0.3)
Loan and Borrowings	5,494	5,033	9.2
Total Liabilities	28,790	30,476	(5.5)
Total Equity	47,911	46,457	3.1
Net Asset Value per Share (Singapore cents)*	9.80	9.45	3.7

\* The net asset value per share for the period ended 31 December 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 remained healthy with S\$7.3 million in cash and cash equivalents as of 31 December 2019. The Group's borrowings increased only by S\$0.5 million to S\$5.5 million as of 31 December 2019 as the Group is no longer responsible for further development costs associated with the Trembul Operating Area.

The Group's net asset value per share improved to 9.8 Singapore cents per share as of 31 December 2019 from 9.5 Singapore cents as of 31 December 2018.

## **BUSINESS UPDATES AND OUTLOOK**

Commenting on the financial results and outlook for the Group, Mr. Sydney Yeung, CEO of GSS Energy Limited commented, **“In 2019, we took steps to change our business model by farming out our Trembul oil and gas operation to our contractor to accelerate the gas recovery operation. This allows us to redeploy our resources to forge ahead with new initiatives in the precision engineering business.**

**Going into 2020, the sudden outbreak of COVID-19 virus is a concern for us. Its main impact is the potential disruption on supply of components for our customers and their planned investments and expansion of their markets before this outbreak. We have adequate inventory for now for ongoing operations but are working closely with our suppliers and customers to synchronise our production in line with their plans.**

**Under current condition, we remain vigilant to the uncertainties caused by the global viral outbreak.”**

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

GSS Energy is a Precision Engineering (“PE”) company with a presence in Singapore, Indonesia and China complemented by an investment in oil & gas business in Indonesia.

GSS Energy officially started trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on February 12, 2015. Pursuant to a scheme of arrangement under Section 210 of the Companies Act, undertaken by Giken Sakata, Giken Sakata became a wholly-owned operating subsidiary of GSS Energy. Giken Sakata had been listed on SGX since 1993 and its listing status was transferred to GSS Energy with effect from February 12, 2015.

For more information, please visit [www.gssenergy.com.sg](http://www.gssenergy.com.sg)

Issued by GSS Energy Limited

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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.

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