

GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

GSS Energy’s 9M2016 Financial Turnaround Driven By Precision Engineering Business

- **Precision Engineering (“PE”) business’ revenue increases 16.5% to S\$55.3 million backed by higher orders from existing customers**
- **Oil and Gas (“O&G”) business to kick-start petroleum production further to the entry of an Operation Cooperation (Kerja Sama Operasi) Agreement with PT Pertamina EP**
- **Group’s financial performance turned around to register a Profit After Tax and Minority Interests (PATMI) of S\$8.4 million for 9M2016**

Singapore, 11 November 2016 – The Board of Directors (the “**Board**”) of **GSS Energy Limited** (“**GSS Energy**”, and together with its subsidiaries, the “**Group**”) is pleased to report the financial results for the three and nine months ended 30 September 2016 (“**3Q2016**” and “**9M2016**”, respectively).

FINANCIAL REVIEW

The Group’s 9M2016 revenue of S\$55.3 million was realised entirely by the PE business. The O&G business made a one-off accounting gain of S\$3.2 million from the disposal of a subsidiary and at the same time, successfully concluded a new business opportunity. Overall, the Group’s net profit attributable to shareholders reversed from a reported net of S\$17.5 million for 9M2015 to S\$8.4 million in 9M2016.

	3Q2016 (3 months)	3Q2015 (3 months)	Change	9M2016 (9 months)	9M2015 (9 months)	Change
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	20,150	17,513	15.1	55,296	52,081	6.2
Gross Profit	4,798	4,804	(0.1)	13,265	14,985	(11.5)
<i>Gross Profit Margin</i>	23.8%	27.4%	(3.6) ppt	24.0%	28.8%	(4.8) ppt
Other Income	1	3,137	NM	6,770	2,992	NM
Distribution & Selling Expenses	(1,782)	(1,827)	(2.5)	(5,041)	(5,922)	(14.9)
Administrative Expenses	(1,287)	(893)	44.1	(3,855)	(4,824)	(20.1)
Other Expenses	36	(1,454)	NM	(879)	(1,329)	(33.9)
Profit / (Loss) attributable to shareholders of the company	1,478	3,059	(51.7)	8,426	(17,517)	NM

Note: NM denotes not meaningful, ppt denotes percentage points

Administration expenses were lower by 20.1% from S\$4.8 million in 9M2015 to S\$3.9 million in 9M2016. Distribution and selling expenses were also lower by 14.9% from S\$5.9 million in 9M2015 to S\$5.0 million in 9M2016.

<i>Financial positions</i>	As At 30 September 2016	As At 31 December 2015	Change
	(S\$'000)	(S\$'000)	%
Cash and cash equivalents	14,485	10,230	41.6
Total assets	54,565	38,121	43.1
Loan and borrowings	150	-	NM
Total liabilities	18,705	24,373	(23.3)
Total equity	35,860	13,748	NM
Net asset value per share (Singapore cents)*	7.23	2.81	157.3

*The net assets value per share for the period ended 30 September 2016 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 2015: 472,618,657 ordinary shares)

The Group's balance sheet continues to strengthen with total assets increasing by 43.1% between 31 December 2015 to 30 September 2016, to S\$54.6 million. Cash and cash equivalents also rose by 41.6% from S\$10.2 million as of 31 December 2015 to S\$14.5 million as of 30 September 2016. Moreover, the Group's total liabilities decreased by 23.3% from S\$24.4 million as of 31 December 2015, to S\$18.7 million as of 30 September 2016.

The Group's net asset value per share has enhanced by 157.3% from 2.81 Singapore cents per share as of 31 December 2015 to 7.23 Singapore cents per share as of 30 September 2016.

BUSINESS REVIEW AND OUTLOOK

The overall business outlook for the Group remains positive with the conclusion of the Operation Cooperation (Kerja Sama Operasi) Agreement with PT Pertamina EP on 2 November 2016. The Group will focus on commencing petroleum production as soon as possible. Barring any unforeseen circumstances, the Group's operating environment should improve substantially once petroleum production hits full capacity.

Over the years, the Group's PE business has benefited from long-standing relationships with key customers in Europe and Japan. The Group is optimistic of increasing orders from existing and new customers. In addition, the new factory in China should be up and running by mid-2017.

Commenting on the financial results and positive outlook for the Group, Mr. Sydney Yeung, CEO of GSS Energy, commented,

“The Group is well placed to deal with challenging global environment of slower growth and continued low oil prices with its strong balance sheet with no debt and comfortable cash position.

With this position, the Group can take on new business opportunities for the PE business and also benefit from an early start in its operations with the recently concluded the Operation Cooperation (Kerja Sama Operasi) Agreement with PT Pertamina EP.”

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

GSS Energy has two core operating businesses: Oil and Gas (“**O&G**”) and Precision Engineering (“**PE**”). The O&G business is engaged in oil production in Indonesia, while the PE business is engaged in precision engineering, with a presence in Singapore, Indonesia and China.

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

For more information, please visit www.gssenergy.com.sg

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.

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