

Background

GSS Energy Limited ("GSSEL" 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 Period Ended 30 September 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 nine (9) months ended 30 September 2015 and third quarter ended 30 September 2015. These figures have not been audited.

	Unaudited 3Q2015 ¹ (3 months) (S\$'000)	Unaudited 3Q2014 ² (3 months) (S\$'000)	Group Change in %	Unaudited 9M2015 ³ (9 months) (S\$'000)	Unaudited 9M2014 ⁴ (9 months) (S\$'000)	Change in %
Revenue	17,513	17,389	0.71%	52,081	49,144	5.98%
Cost of Sales	(12,709)	(12,925)	(1.67)%	(37,096)	(39,019)	(4.93)%
Gross Profit	4,804	4,464	7.62%	14,985	10,125	48.00%
Other items of income						
Other income	3,137	236	NM	2,992	432	NM
Interest income	23	16	43.75%	65	43	51.16%
Other items of expenses						
Distribution and selling expenses	(1,827)	(3,390)	(46.11)%	(5,922)	(6,304)	(6.06)%
Administration expenses	(893)	(1,301)	(31.36)%	(4,824)	(3,010)	60.27%
Other operating expenses	(1,454)	(380)	NM	(1,329)	(432)	NM
Finance costs	-	(3)	(100.00)%	(1)	(28)	(96.43)%
Profit/(Loss) on operation	3,790	(358)	NM	5,966	826	NM
Adjustment in contingent consideration	33,000	-	NM	33,000	-	NM
Impairment losses	(33,000)	-	NM	(65,884)	-	NM
Share of results of equity-accounted investees (net of tax)	(2)	-	NM	(2)	-	NM
Profit/(Loss) before income tax	3,788	(358)	NM	(26,920)	826	NM
Income tax expense	(815)	(429)	NM	(127)	(494)	NM
Profit/(Loss) for the financial period	2,973	(787)	NM	(27,047)	332	NM
Other comprehensive income:						
<i>Items that will not be reclassified subsequently to profit and loss</i>						
Remeasurement of defined benefit pension scheme	-	28	100.00%	-	28	100.00%
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translating of foreign operations	745	196	NM	463	18	NM
Other comprehensive income for the financial period, net of tax	745	224	NM	463	46	NM
Total comprehensive income for the financial period	3,718	(563)	NM	(26,584)	378	NM
Profit/(Loss) attributable to:-						
Owners of the parent	3,059	(967)	NM	(17,517)	145	NM
Non-controlling interests	(86)	180	NM	(9,530)	187	NM
	2,973	(787)	NM	(27,047)	332	NM
Other comprehensive income attributable to:-						
Owners of the parent	3,859	(752)	NM	(16,820)	190	NM
Non-controlling interests	(141)	189	NM	(9,764)	188	NM
	3,718	(563)	NM	(26,584)	378	NM

1(a) (ii) Other information

	Unaudited 3Q2015 ¹ (3 months) (S\$'000)	Unaudited 3Q2014 ² (3 months) (S\$'000)	Group Change in %	Unaudited 9M2015 ³ (9 months) (S\$'000)	Unaudited 9M2014 ⁴ (9 months) (S\$'000)	Change in %
Interest income	23	16	43.75%	65	43	51.16%
Finance cost	-	(3)	(100.00)%	(1)	(28)	(96.43)%
Amortisation of intangible assets	(14)	(120)	(88.33)%	(419)	(133)	NM
Depreciation of property, plant and equipment	(414)	(320)	29.38%	(1,084)	(967)	12.10%
Foreign exchange loss, net	(222)	(20)	NM	(567)	(71)	NM
Gain on disposal of property, plant and equipment	-	-	NM	34	87	(60.92)%
Property, plant and equipment written off	(853)	(4)	NM	(996)	(4)	NM
Compensation for expropriation of land and building by Changzhou Government State Land Office	2,816	-	NM	2,816	-	NM
Adjustment in contingent consideration	33,000	-	NM	33,000	-	NM
Impairment losses						
Impairment of goodwill	(33,000)	-	NM	(42,759)	-	NM
Impairment of intangibles	-	-	NM	(11,387)	-	NM
Impairment of trade receivables	-	-	NM	(18,288)	-	NM
Write-back of trade payables	-	-	NM	6,724	-	NM
Impairment of other assets	-	-	NM	(174)	-	NM
	<u>(33,000)</u>	<u>-</u>	<u>NM</u>	<u>(65,884)</u>	<u>-</u>	<u>NM</u>

Notes

¹ "3Q2015": Period from 1 Jul 2015 to 30 Sep 2015

² "3Q2014": Period from 1 Jul 2014 to 30 Sep 2014

³ "9M2015": Period from 1 January 2015 to 30 September 2015

⁴ "9M2014": Period from 1 January 2014 to 30 September 2014

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.

Statements of Financial Position

	Group As at			Company As at		
	30 September 2015	31 August 2014 ¹	Change in	30 September 2015	31 August 2014 ²	Change in
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
ASSETS						
Non-current assets						
Property, plant and equipment	5,910	4,618	27.98%	-	NA	NM
Intangible assets	53	113	(53.10)%	-	NA	NM
Investment in subsidiaries	-	-	NM	28,603	NA	NM
Investment in joint venture	48	-	NM	48	NA	NM
Goodwill	112	112	NM	-	NA	NM
Due from subsidiaries	-	-	NM	-	NA	NM
	<u>6,123</u>	<u>4,843</u>	<u>NM</u>	<u>28,651</u>	<u>NA</u>	<u>NM</u>
Current assets						
Inventories	4,497	4,573	(1.66)%	-	NA	NM
Trade receivables	15,664	14,277	9.71%	-	NA	NM
Other receivables and deposits	1,331	351	NM	-	NA	NM
Due from subsidiary	-	-	NM	67	NA	NM
Prepayment	173	106	63.21%	7	NA	NM
Short term investment	448	-	NM	-	NA	NM
Cash and cash equivalents	10,641	4,444	NM	-	NA	NM
	<u>32,754</u>	<u>23,751</u>	<u>37.91%</u>	<u>74</u>	<u>NA</u>	<u>NM</u>
Total assets	<u>38,877</u>	<u>28,594</u>	<u>35.96%</u>	<u>28,725</u>	<u>NA</u>	<u>NM</u>
EQUITY AND LIABILITIES						
Current liabilities						
Trade payables	10,994	9,489	15.86%	-	NA	NM
Other payables and accruals	5,042	2,885	74.77%	-	NA	NM
Due to a related party	3,757	-	NM	-	NA	NM
Due to subsidiaries	-	-	NM	3,243	NA	NM
Current income tax payable	1,923	182	NM	-	NA	NM
Loan and borrowings	18	31	(41.94)%	-	NA	NM
	<u>21,734</u>	<u>12,587</u>	<u>72.67%</u>	<u>3,243</u>	<u>NA</u>	<u>NM</u>
Net current (liabilities)/assets	<u>11,020</u>	<u>11,164</u>	<u>(1.29)%</u>	<u>(3,169)</u>	<u>NA</u>	<u>NM</u>
Non-current liabilities						
Provisions	444	444	-	-	NA	NM
	<u>444</u>	<u>444</u>	<u>-</u>	<u>-</u>	<u>NA</u>	<u>NM</u>
Total liabilities	<u>22,178</u>	<u>13,031</u>	<u>NM</u>	<u>3,243</u>	<u>NA</u>	<u>NM</u>
Net assets	<u>16,699</u>	<u>15,563</u>	<u>NM</u>	<u>25,482</u>	<u>NA</u>	<u>NM</u>
Equity attributable to owners of the parent						
Share Capital	73,458	26,178	NM	73,458	NA	NM
Accumulated losses	(29,265)	(11,427)	NM	(47,976)	NA	NM
Other reserves	(27,932)	515	NM	-	NA	NM
	<u>16,261</u>	<u>15,266</u>	<u>NM</u>	<u>25,482</u>	<u>NA</u>	<u>NM</u>
Non-controlling interests	<u>438</u>	<u>297</u>	<u>47.47%</u>	<u>-</u>	<u>NA</u>	<u>NM</u>
Total equity	<u>16,699</u>	<u>15,563</u>	<u>7.30%</u>	<u>25,482</u>	<u>NA</u>	<u>NM</u>
Total equity and liabilities	<u>38,877</u>	<u>28,594</u>	<u>35.96%</u>	<u>28,725</u>	<u>NA</u>	<u>NM</u>

Note:

¹ 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.

² 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 30.09.2015		As at 31.08.2014 ¹	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
18	-	31	-

Amount repayable after one year

As at 30.09.2015		As at 31.08.2014 ¹	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	-	-	-

Note:

¹ 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.

Details of any collateral

The short-term bank loan of a subsidiary company is secured by fixed deposit placed with the bank.

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 3Q2015 ¹ (3 months) (S\$'000)	Unaudited 3Q2014 ² (3 months) (S\$'000)	Unaudited 9M2015 ³ (9 months) (S\$'000)	Unaudited 9M2014 ⁴ (9 months) (S\$'000)
Operating activities				
Profit/(Loss) before income tax	3,788	(358)	(26,920)	826
Adjustments for:				
Allowance for inventory obsolescence	-	113	-	113
Allowance for inventory obsolescence written back	-	(29)	-	(29)
Amortisation of intangible assets	14	120	419	133
Compensation for expropriation of land and building by Changzhou Government State Land Office	(2,816)	-	(2,816)	-
Depreciation of property, plant and equipment	414	320	1,084	967
Finance costs	-	3	1	28
Gain on disposal of property, plant and equipment	-	-	(34)	(87)
Introducer fees	-	480	-	480
Impairment losses	33,000	-	65,884	-
Adjustments in contingent consideration	(33,000)	-	(33,000)	-
Property, plant and equipment written off	853	4	996	4
Share of results of equity-accounted investees	2	-	2	-
Interest income	(23)	(16)	(65)	(43)
Operating cash flows before working capital changes	2,232	637	5,551	2,392
Working capital changes				
Inventories	14	819	(579)	1,265
Trade receivables	5,292	(2,549)	(1,399)	(2,358)
Other receivables and deposits	(1,027)	108	(812)	152
Prepayments	30	73	(52)	2
Trade payables	(4,965)	1,322	(3,275)	(1,038)
Other payables and accruals	147	(2,869)	1,173	(1,786)
Due from previous related company	-	-	-	2
Due to previous related companies	-	-	-	(150)
Provisions settled	-	(38)	-	(38)
Cash generated from/(used in) operations	1,723	(2,497)	607	(1,557)
Interest received	23	16	65	43
Interest paid	-	(3)	(1)	(28)
Income tax paid	(94)	(47)	(202)	(81)
Net cash generated from/(used in) operating activities	1,652	(2,531)	469	(1,623)
Investing activities				
Formation of equity-accounted investees	(50)	-	(50)	-
Payment for purchase of intangible assets	-	(1,268)	(582)	(1,268)
Payment for purchase of property, plant and equipment	(2,306)	(106)	(3,199)	(953)
Payment for purchase of short-term investment	(434)	-	(434)	-
Proceed from disposal of property, plant and equipment	-	-	34	87
Compensation for expropriation of land and building by Changzhou Government State Land Office	2,816	-	2,816	-
Net cash used in acquisition of subsidiary	-	(14,939)	-	(14,939)
Net cash generated from/(used in) investing activities	26	(16,313)	(1,415)	(17,073)
Financing activities				
Proceeds from issue of shares	-	24,000	-	25,690
Proceeds from loan from a related company	236	-	1,866	-
Repayment of bank loans	(24)	(281)	(72)	(1,429)
Repayment of obligations under finance leases	-	(10)	(17)	(325)
Net cash generated from financing activities	212	23,709	1,777	23,936
<i>Net increase in cash and cash equivalents</i>	<i>1,890</i>	<i>4,865</i>	<i>831</i>	<i>5,240</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>32</i>	<i>6</i>	<i>81</i>	<i>(33)</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>8,609</i>	<i>5,611</i>	<i>9,619</i>	<i>5,275</i>
Cash and cash equivalents at end of the period	10,531	10,482	10,531	10,482
Reconciliation of cash and cash equivalents				
Cash and bank balances	2,773	8,383	2,773	8,383
Fixed deposits	7,868	2,099	7,868	2,099
	10,641	10,482	10,641	10,482
Less: Bank balances pledged	(110)	-	(110)	-
	10,531	10,482	10,531	10,482
Notes				

¹ "3Q2015": Period from 1 July 2015 to 30 September 2015

² "3Q2014": Period from 1 July 2014 to 30 September 2014

³ "9M2015": Period from 1 January 2015 to 30 September 2015

⁴ "9M2014": Period from 1 January 2014 to 30 September 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
The Group									
Balance at 1 January 2015 (Restated)	73,458	(22,800)	380	393	(11,748)	-	39,683	3,600	43,283
Net profit for the financial period	-	-	-	-	957	-	957	102	1,059
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	-	178	-	-	178	(31)	147
Other comprehensive income for the financial period, net of tax	-	-	-	178	-	-	178	(31)	147
Total comprehensive income for the financial period	-	-	-	178	957	-	1,135	71	1,206
Balance at 31 March 2015 (Restated)	73,458	(22,800)	380	571	(10,791)	-	40,818	3,671	44,489
Net loss for the financial period	-	-	-	-	(21,533)	-	(21,533)	(9,546)	(31,079)
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	-	(281)	-	-	(281)	(148)	(429)
Other comprehensive income for the financial period, net of tax	-	-	-	(281)	-	-	(281)	(148)	(429)
Total comprehensive income for the financial period	-	-	-	(281)	(21,533)	-	(21,814)	(9,694)	(31,508)
Balance at 30 June 2015 (Restated)	73,458	(22,800)	380	290	(32,324)	-	19,004	(6,023)	12,981
Net profit for the financial period	-	-	-	-	3,059	-	3,059	(86)	2,973
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	-	800	-	-	800	(55)	745
Other comprehensive income for the financial period, net of tax	-	-	-	800	-	-	800	(55)	745
Total comprehensive income for the financial period	-	-	-	800	3,059	-	3,859	(141)	3,718
Transactions with owners of the parent recognised directly in equity									
<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	-
Total transactions with owners	-	-	-	-	-	(6,602)	(6,602)	6,602	-
Balance at 30 September 2015	73,458	(22,800)	380	1,090	(29,265)	(6,602)	16,261	438	16,699
Balance at 1 January 2014¹	24,488	-	353	245	(13,085)	-	12,001	289	12,290
Net profit for the financial period	-	-	-	-	496	-	496	3	499
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	-	(121)	-	-	(121)	(6)	(127)
Other comprehensive income for the financial period, net of tax	-	-	-	(121)	-	-	(121)	(6)	(127)
Total comprehensive income for the financial period	-	-	-	(121)	496	-	375	(3)	372
Transactions with owners of the parent recognised directly in equity									
<i>Contributions by and distribution to owners</i>									
Issue of ordinary shares	1,690	-	-	-	-	-	1,690	-	1,690
Total changes in ownership interests in subsidiaries	1,690	-	-	-	-	-	1,690	-	1,690
Total transactions with owners	1,690	-	-	-	-	-	1,690	-	1,690
Balance at 31 March 2014	26,178	-	353	124	(12,589)	-	14,066	286	14,352
Net profit for the financial period	-	-	-	-	615	-	615	5	620
Other comprehensive income for the financial period									
Exchange differences arising from translation of foreign operations	-	-	-	(50)	-	-	(50)	(3)	(53)
Other comprehensive income for the financial period, net of tax	-	-	-	(50)	-	-	(50)	(3)	(53)
Total comprehensive income for the financial period	-	-	-	(50)	615	-	565	2	567
Balance at 30 June 2014	26,178	-	353	74	(11,974)	-	14,631	288	14,919
Net profit for the financial period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period									
Remeasurement of defined benefit scheme	-	-	-	-	28	-	28	-	28
Exchange differences arising from translation of foreign operations	-	-	-	188	-	-	188	-	188
Other comprehensive income for the financial period, net of tax	-	-	-	188	28	-	216	-	216
Total comprehensive income for the financial period	-	-	-	188	28	-	216	-	216
Transactions with owners of the parent recognised directly in equity									
<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)
Total transactions with owners	47,280	(22,800)	27	-	(27)	-	24,480	2,606	27,086
Balance at 30 September 2014 (Restated)	73,458	(22,800)	380	262	(11,973)	-	39,327	2,894	42,221

Note

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
The Company			
Balance at 1 January 2015 ¹ (date of incorporation)	-	-	-
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

Note

¹ 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 30 September 2015	472,618,657	73,458

The Company has no outstanding convertibles or treasury shares as at 30 September 2015 (as at 31 August 2014: not applicable*). It should be noted that GSSL did not have outstanding convertibles or treasury shares as at 31 August 2014.

* Not applicable as the Company was incorporated on 31 October 2014 with one (1) share at S\$1.

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

It should be noted that the Company will hold an extraordinary general meeting on 27 November 2015 to seek shareholders' approval to reduce 76,000,000 shares in the capital of the Company allotted to Java Petral Energy Pte Ltd ("JPEL"). Details of the capital reduction can be found in the circular despatched on 5 November 2015.

* 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 30 September 2015.

- 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 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			
	3Q FY2015 (3 months) S'pore cents	3Q FY2014 (3 months) S'pore cents	1 Jan 2015 to 30 Sep 2015 (9 months) S'pore cents	1 Jan 2014 to 30 Sep 2014 (9 months) S'pore cents
Based on the number of shares in issue during the period	0.65	(0.28)	(3.71)	0.04
On fully diluted basis	0.65	(0.28)	(3.71)	0.04

Item 6: The earnings per share for the period from 1 July 2015 to 30 September 2015 and 1 January 2015 to 30 September 2015 are calculated based on the weighted average share capital in issue during the period of 472,618,657 ordinary shares (1 July 2014 to 30 September 2014: 350,992,570 ordinary shares and 1 January 2014 to 30 September 2014 : 336,706,856 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	
	30 September 2015 S'pore cents	31 August 2014 ¹ S'pore cents	30 September 2015 S'pore cents	31 August 2014 ² 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)	3.44	4.85	5.39	NA

Item 7: The net assets value per share for the period ended 30 September 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 :

¹ 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.

² 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"). Please refer to subparagraph (x) below.

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 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.
- (vi) On 3 November 2015, the Group announced that a recent review of the Consideration indicated that the 76,000,000 consideration shares allocated to Java Petral Energy Pte Ltd ("JPEL") and second tranche cash consideration of S\$10,200,000 payable to JPEL, is of a nature that is "Contingent Consideration". As such, the Group restated its 1Q 2015 Results and 2Q 2015 Results to reclassify the second tranche cash consideration of S\$10,200,000 from "Due to a Related Party" to "Contingent Consideration". The Group recorded a further contingent consideration of S\$22,800,000 in relation to the consideration shares issued to JPEL, with a corresponding debit to "Capital Reserves".
- (vii) The Group has adopted 31 December 2015 as its financial year-end.

The Group is currently reporting its consolidated results for the third quarter and nine months ended 30 September 2015.

Consolidated Income Statement

- (viii) The Group achieved a turnover of S\$52.08 million for 9M 2015. The PE business remained the main revenue contributor and was the entire revenue contributor in 3Q 2015. The turnover for 9M 2015 comprises S\$47.47 million from the PE business and S\$4.61 million from the O&G business. This compares to the turnover of S\$47.43 million from PE business and S\$1.69 million from the O&G for the corresponding period in 2014.
- (ix) The gross profit for 9M 2015 is S\$14.99 million, representing 28.77% of the turnover. The gross margin for PE was S\$12.35 million (26.01% of PE turnover). This compares to the gross margin of S\$9.32 million (19.66% of PE turnover) for the corresponding period in 2014. This improvement was mainly due to the Group's improved operational processes with higher level of automation as well as from shifting to product with lower material content.
- (x) The Group recorded other income of S\$2.99 million in 9M 2015. This is mainly attributable to the first tranche of compensation of S\$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 Precision Co Ltd ("CGP"). Pursuant to the Agreement, CGSLO shall pay to CGP compensation of approximately RMB45.68 million for the Acquisition. The Acquisition is expected to result in a profit after tax of approximately RMB27.00 million.
- (xi) Total selling and administration expenses of S\$10.75 million were incurred for 9M 2015. This includes S\$6.92 million incurred for the PE business, S\$2.41 million for the O&G business and S\$1.42 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 Catalist listing to the Company and the investment agreement entered into to drill 2 oil wells in West Jambi, Sumatra, Indonesia.

- (xii) Other operating expenses increased to S\$1.34 million in 9M 2015. This compares to S\$0.43 million in 9M 2014. The Group recorded a S\$0.85 million property written off upon surrender property ownership in 3Q 2015 in relation to expropriation of land and building by CGSLO.
- (xiii) The Group made an operating profit of S\$5.97 million for 9M 2015.
- (xiv) The Group made full impairment of goodwill amounting to S\$42.76 million from the acquisition of CSE in 9M 2015. The impairment was made following the termination of the cooperation agreement for the management of old wells at Dandangilo-Wonocolo and Ngrayong Fields in Kedewan-Bojonegoro, East Java. An announcement was released on 24 July 2015 with regard to this termination of the cooperation agreement.
- (xv) Excluding the corporate expenses and impairment expenses, PE and O&G achieved a net profit after tax of S\$7.06 million and S\$0.27 million, respectively.
- (xvi) The Group incurred a net loss after tax of S\$27.05 million for 9M 2015 after taking into consideration of corporate expenses and impairment expenses.
- (xvii) The net loss attributable to the Group, after deducting non-controlling interest stands at S\$17.52 million.

Consolidated Statement of Financial Position

- (xviii) The Group's share capital as at 30 September 2015 is S\$73.46 million, an increase of S\$47.28 million from 31 August 2014. This comprises the shares issued for the acquisition of CSE, 80 million placement shares and 1.6 million introducer shares. The Company will hold an extraordinary general meeting on 27 November 2015 to seek shareholders' approval to reduce 76,000,000 shares in the capital of the Company allotted to JPEL.
- (xix) Trade receivables and trade payables as at 30 September 2015 was S\$15.66 million and S\$10.99 million, respectively. The entire trade receivables was from the PE business. The trade payables comprise of S\$9.80 million from PE business and S\$1.19 million from O&G business.
- (xx) Other payables and accruals as at 30 September 2015 was S\$5.04 million, an increase of S\$2.16 million from 31 August 2014. The increase was mainly attributable to S\$1.27 million well rights payables for acquiring rights to operate on well under cooperation agreement and S\$0.21 million accrue purchase which was in line with scale up in purchase requirement.
- (xxi) Amount due to a related party as at 30 September 2015 was S\$3.76 million. This is attributable to loans extended to CSE from JPEL. The amount will be waived upon the completion of the cancellation of the 76,000,000 consideration shares allotted to JPEL.
- (xxii) The net assets of the Group as at 30 September 2015 was S\$16.70 million.

Consolidated Statement of Cash Flows

- (xxiii) The Group generated a net cash inflow of S\$0.47 million from its operating activities during the period.
- (xxiv) Net cash used in investing activities during the period was S\$1.42 million. This was mainly attributable to addition in machineries and acquisition of a new piece of land of approximately 19,000 square metres located in Changzhou for relocation purposes totalling S\$3.20 million which was partially offset by S\$2.82 million compensation received for expropriation of land and building by CGSLO.
- (xxv) Net cash generated by financing activities during the period was S\$1.78 million, due to loans from a related party of S\$1.87 million. The amount will be waived upon the completion of the cancellation of the 76,000,000 consideration shares allotted to JPEL.
- (xxvi) Net cash and cash equivalents as at 30 September 2015 stood at S\$10.53 million, an increase of S\$0.91 million from 31 December 2014.

Others

- (xxvii) On 26 October 2015, the Company announced it had extended the moratorium in respect of the 76,000,000 consideration shares held by JPEL to 30 November 2016. The Company will hold an extraordinary general meeting on 27 November 2015 to seek shareholders' approval to reduce 76,000,000 shares in the capital of the Company. Details of the capital reduction can be found in the circular despatched on 5 November 2015.

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.

In the PE business, the Group maintains a positive outlook and will continue to actively source for new growth opportunities.

The Group maintains a cautious outlook in its O&G business and continue to explore new 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.

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

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for first half ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors
Yeung Kin Bond Sydney
Executive Director & Group CEO

Ng Say Tiong
Executive Director & Company Secretary

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary

Date 13 November 2015

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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