



**GSS ENERGY LIMITED**  
RCB No: 201432529C

**UNAUDITED RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2016**

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 fourth quarter and twelve (12) months ended 31 December 2016. These figures have not been audited.

	4Q2016 <sup>1</sup> (3 months) (S\$'000)	4Q2015 <sup>2</sup> (3 months) (S\$'000)	Change in %	Group 12M2016 <sup>3</sup> (12 months) (S\$'000)	12M2015 <sup>4</sup> (12 months) (S\$'000)	Change in %
<b>Revenue</b>	20,413	15,561	31.18%	75,709	67,642	11.93%
Cost of Sales	(15,776)	(12,398)	27.25%	(57,807)	(49,494)	16.80%
<b>Gross Profit</b>	4,637	3,163	46.60%	17,902	18,148	(1.36)%
<b>Other items of income</b>						
Other income	457	396	15.40%	7,227	3,387	>100.00%
<b>Other items of expenses</b>						
Distribution and selling expenses	(2,836)	(1,190)	>100.00%	(7,877)	(3,994)	97.22%
Administration expenses	(1,495)	(1,650)	(9.39)%	(5,350)	(9,592)	(44.22)%
Other operating expenses	877	475	84.63%	(2)	(853)	(99.77)%
<b>Profit from operations</b>	1,640	1,194	37.35%	11,900	7,096	67.70%
Finance income	96	73	31.51%	213	138	54.35%
Finance costs	(6)	-	NM	(15)	(1)	NM
Impairment losses	-	-	NM	-	(32,884)	(100.00)%
Share of results of joint venture (net of tax)	(2)	(6)	(66.67)%	(2)	(8)	(75.00)%
<b>Profit/(Loss) before income tax</b>	1,728	1,261	37.03%	12,096	(25,659)	NM
Income tax expense	380	(2,467)	NM	(1,559)	(2,594)	(39.90)%
<b>Profit/(Loss) for the financial period</b>	2,108	(1,206)	NM	10,537	(28,253)	NM
<b>Other comprehensive income:</b>						
<i>Items that will not be reclassified subsequently to profit and loss</i>						
Remeasurement of defined benefit pension scheme	(260)	(896)	(70.98)%	(260)	(899)	(71.08)%
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translation of foreign operations	189	(849)	NM	(364)	(383)	(4.96)%
<b>Other comprehensive income for the financial period, net of tax</b>	(71)	(1,745)	(95.93)%	(624)	(1,282)	(51.79)%
<b>Total comprehensive income for the financial period</b>	2,037	(2,951)	NM	9,913	(29,535)	NM
<b>Profit/(Loss) attributable to:-</b>						
Owners of the parent	2,190	(1,234)	NM	10,616	(18,751)	NM
Non-controlling interests	(82)	28	NM	(79)	(9,502)	(99.17)%
	2,108	(1,206)	NM	10,537	(28,253)	NM
<b>Other comprehensive income attributable to:-</b>						
Owners of the parent	2,122	(2,969)	NM	10,000	(19,789)	NM
Non-controlling interests	(85)	18	NM	(87)	(9,746)	(99.11)%
	2,037	(2,951)	(41.57)%	9,913	(29,535)	NM

1 (a) (ii) Other information

	Unaudited 4Q2016 <sup>1</sup> (3 months) (S\$'000)	Unaudited 4Q2015 <sup>2</sup> (3 months) (S\$'000)	Change in %	Group		Change in %
				Unaudited 12M2016 <sup>3</sup> (12 months) (S\$'000)	Unaudited 12M2015 <sup>4</sup> (12 months) (S\$'000)	
Interest income	96	73	31.51%	213	138	54.35%
Finance costs	(6)	-	NM	(15)	(1)	>100.00%
Amortisation of intangible assets	5	(14)	NM	(46)	(433)	(89.38)%
Amortisation of land use rights	(66)	(70)	(5.71)%	(269)	(150)	79.33%
Depreciation of property, plant and equipment	(321)	(309)	3.88%	(1,247)	(1,313)	(5.03)%
Foreign exchange gain, net	1,249	781	59.92%	407	238	71.01%
Gain on disposal of property, plant and equipment	-	-	NM	-	34	(100.00)%
Property, plant and equipment written off	(1)	(6)	(83.33)%	(1)	(1,002)	(100.00)%
Other receivables written off	-	-	NM	(105)	-	NM
Allowance for inventory obsolescence	(206)	-	NM	(206)	-	NM
Allowance for inventory obsolescence written back	31	49	(36.73)%	31	49	(36.73)%
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	NM	3,185	2,816	13.10%
Net gain from disposal of a subsidiary	-	-	NM	3,216	-	NM
<b>Impairment losses</b>						
Impairment of trade receivables	-	-	NM	-	(18,288)	(100.00)%
Write-back of trade payables	-	-	NM	-	6,724	(100.00)%
Impairment of goodwill	-	-	NM	-	(9,759)	(100.00)%
Impairment of intangibles	-	-	NM	-	(11,387)	(100.00)%
Impairment of other assets	-	-	NM	-	(174)	(100.00)%
<b>Total impairment losses</b>	<b>-</b>	<b>-</b>	<b>NM</b>	<b>-</b>	<b>(32,884)</b>	<b>(100.00)%</b>

Notes

<sup>1</sup> "4Q2016": Period from 1 Oct 2016 to 31 Dec 2016

<sup>2</sup> "4Q2015": Period from 1 Oct 2015 to 31 Dec 2015

<sup>3</sup> "12M2016": Period from 1 Jan 2016 to 31 Dec 2016

<sup>4</sup> "12M2015": Period from 1 Jan 2015 to 31 Dec 2015

<sup>5</sup> "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		
	31 December 2016 S\$ '000	31 December 2015 S\$ '000	Change in %	31 December 2016 S\$ '000	31 December 2015 S\$ '000	Change in %
<b>ASSETS</b>						
<b>Non-current assets</b>						
Exploration and evaluation assets	4,057	2,091	94.02%	-	-	NM
Property, plant and equipment	6,370	3,936	61.84%	-	-	NM
Land use rights	1,749	2,117	(17.38)%	-	-	NM
Intangible assets	9	39	(76.92)%	-	-	NM
Investment in subsidiaries	-	-	NM	28,603	28,603	NM
Investment in joint venture	40	42	(4.76)%	40	42	(4.76)
Goodwill	112	112	NM	-	-	NM
Due from a subsidiary	-	-	NM	1,759	2,061	(14.65)%
	<u>12,337</u>	<u>8,337</u>	<u>47.98%</u>	<u>30,402</u>	<u>30,706</u>	<u>(0.99)%</u>
<b>Current assets</b>						
Inventories	6,490	4,987	30.14%	-	-	NM
Trade receivables	18,908	13,585	39.18%	-	-	NM
Other receivables and deposits	756	410	84.39%	-	-	NM
Prepayment	129	135	(4.44)%	9	6	50.00%
Held-to-maturity financial assets	3,337	437	>100.00%	-	-	NM
Pledged deposit	594	-	NM	-	-	NM
Cash and cash equivalents	14,942	10,230	46.06%	527	-	NM
	<u>45,156</u>	<u>29,784</u>	<u>51.61%</u>	<u>536</u>	<u>6</u>	<u>&gt;100.00%</u>
<b>Total assets</b>	<u>57,493</u>	<u>38,121</u>	<u>50.82%</u>	<u>30,938</u>	<u>30,712</u>	<u>0.74%</u>
<b>EQUITY AND LIABILITIES</b>						
<b>Current liabilities</b>						
Trade payables	11,807	9,689	21.86%	-	-	NM
Other payables and accruals	4,409	5,636	(21.77)%	363	134	>100.00%
Due to a former non-controlling shareholder of a subsidiary	-	3,757	(100.00)%	-	-	NM
Due to a subsidiary	-	-	NM	-	5,951	(100.00)%
Current income tax payable	1,946	4,191	(53.57)%	-	-	NM
Loan and borrowings	93	-	NM	-	-	NM
	<u>18,255</u>	<u>23,273</u>	<u>(21.56)%</u>	<u>363</u>	<u>6,085</u>	<u>(94.03)%</u>
<b>Net current assets/(liabilities)</b>	<u>26,901</u>	<u>6,511</u>	<u>&gt;100.00%</u>	<u>173</u>	<u>(6,079)</u>	<u>NM</u>
<b>Non-current liabilities</b>						
Loan and borrowings	21	-	NM	-	-	NM
Provisions	1,326	1,100	20.55%	-	-	NM
	<u>1,347</u>	<u>1,100</u>	<u>22.45%</u>	<u>-</u>	<u>-</u>	<u>NM</u>
<b>Total liabilities</b>	<u>19,602</u>	<u>24,373</u>	<u>(19.57)%</u>	<u>363</u>	<u>6,085</u>	<u>(94.03)%</u>
<b>Net assets</b>	<u>37,891</u>	<u>13,748</u>	<u>NM</u>	<u>30,575</u>	<u>24,627</u>	<u>24.15%</u>
<b>Equity attributable to owners of the parent</b>						
Share capital	58,522	73,458	(20.33)%	58,522	73,458	(20.33)%
Accumulated losses	(21,535)	(31,720)	(32.11)%	(27,947)	(26,031)	7.36%
Other reserves	989	(28,446)	NM	-	(22,800)	(100.00)%
	<u>37,976</u>	<u>13,292</u>	<u>&gt;100.00%</u>	<u>30,575</u>	<u>24,627</u>	<u>24.15%</u>
<b>Non-controlling interests</b>	<u>(85)</u>	<u>456</u>	<u>NM</u>	<u>-</u>	<u>-</u>	<u>NM</u>
<b>Total equity</b>	<u>37,891</u>	<u>13,748</u>	<u>&gt;100.00%</u>	<u>30,575</u>	<u>24,627</u>	<u>24.15%</u>
<b>Total equity and liabilities</b>	<u>57,493</u>	<u>38,121</u>	<u>50.82%</u>	<u>30,938</u>	<u>30,712</u>	<u>0.74%</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 31.12.2016		As at 31.12.2015	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
93	-	-	-

**Amount repayable after one year**

As at 31.12.2016		As at 31.12.2015	
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) Finance lease liability of S\$0.07 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 4Q2016 <sup>1</sup> (3 months) (S\$'000)	Unaudited 4Q2015 <sup>2</sup> (3 months) (S\$'000)	Unaudited 12M2016 <sup>3</sup> (12 months) (S\$'000)	Unaudited 12M2015 <sup>4</sup> (12 months) (S\$'000)
<b>Operating activities</b>				
Profit/(Loss) before income tax	1,728	1,261	12,096	(25,659)
Adjustments for:				
Allowance for inventory obsolescence	206	-	206	-
Allowance for inventory obsolescence written back	(31)	(49)	(31)	(49)
Amortisation of intangible assets	(5)	14	46	433
Amortisation of land use rights	66	70	269	150
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	(3,185)	(2,816)
Depreciation of property, plant and equipment	321	309	1,247	1,313
Finance costs	6	-	15	1
Gain on disposal of property, plant and equipment	-	-	-	(34)
Net gain from disposal of a subsidiary (non-cash accounting gain)	-	-	(3,216)	-
Impairment losses	-	-	-	32,884
Inventory written off	-	46	-	46
Other receivables written off	-	-	105	-
Property, plant and equipment written off	1	6	1	1,002
Share of results of joint venture	2	6	2	8
Interest income	(96)	(73)	(213)	(138)
Unrealised exchange difference	-	-	(779)	-
<b>Operating cash flows before working capital changes</b>	<b>2,198</b>	<b>1,590</b>	<b>6,563</b>	<b>7,141</b>
<b>Working capital changes</b>				
Inventories	(969)	(482)	(1,735)	(1,061)
Trade receivables	(765)	1,502	(4,793)	111
Other receivables and deposits	(307)	(1,275)	(558)	4
Prepayments	109	32	17	(21)
Trade payables	537	(1,705)	2,900	(4,984)
Other payables and accruals	771	940	1,266	2,110
Provisions	(34)	-	226	-
Provisions settled	-	(240)	-	(240)
<b>Cash generated from operations</b>	<b>1,540</b>	<b>362</b>	<b>3,886</b>	<b>3,060</b>
Interest received	96	73	213	138
Interest paid	(6)	-	(15)	(1)
Income tax paid	(669)	(220)	(1,073)	(422)
<b>Net cash generated from operating activities</b>	<b>961</b>	<b>215</b>	<b>3,011</b>	<b>2,775</b>
<b>Investing activities</b>				
Formation of equity-accounted investees	-	-	-	(50)
Acquisition of exploration and evaluation assets	684	-	(1,828)	(2,091)
Payment for purchase of intangible assets	(9)	-	(9)	(582)
Payment for purchase of property, plant and equipment	(626)	(608)	(3,648)	(3,807)
Addition to held-to-maturity financial assets	12	-	(2,918)	(434)
Proceeds from disposal of property, plant and equipment	-	-	-	34
Proceeds from disposal of subsidiary, net of cash	-	-	(2)	-
Compensation for acquisition of land and building by Changzhou Government State Land Office	-	-	3,185	2,816
Payment for acquisition of additional equity interest from a non-controlling shareholder	-	-	(457)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>61</b>	<b>(608)</b>	<b>(5,677)</b>	<b>(4,114)</b>
<b>Financing activities</b>				
Pledged deposit	(294)	110	(594)	110
Proceeds from issue of shares	-	-	7,864	-
Proceeds from bank loans	-	-	270	-
Proceeds from finance lease	-	-	77	-
Proceeds from loan from a related company	-	-	-	1,866
Repayment of bank loans	(64)	(18)	(228)	(90)
Repayment of obligations under finance leases	(5)	-	(13)	(17)
<b>Net cash (used in)/generated from financing activities</b>	<b>(363)</b>	<b>92</b>	<b>7,376</b>	<b>1,869</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	659	(301)	4,710	530
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	98	-	2	81
<i>Cash and cash equivalents at beginning of period</i>	14,185	10,531	10,230	9,619
<b>Cash and cash equivalents at end of the period/year</b>	<b>14,942</b>	<b>10,230</b>	<b>14,942</b>	<b>10,230</b>

**Notes**

<sup>1</sup> "4Q2016": Period from 1 Oct 2016 to 31 Dec 2016

<sup>2</sup> "4Q2015": Period from 1 Oct 2015 to 31 Dec 2015

<sup>3</sup> "12M2016": Period from 1 Jan 2016 to 31 Dec 2016

<sup>4</sup> "12M2015": Period from 1 Jan 2015 to 31 Dec 2015

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
<b>The Group</b>									
<b>Balance at 1 January 2016</b>	73,458	(22,800)	702	254	(31,720)	(6,602)	13,292	456	13,748
<b>Net profit for the financial period</b>	-	-	-	-	662	-	662	3	665
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(347)	-	-	(347)	(5)	(352)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(347)	-	-	(347)	(5)	(352)
<b>Total comprehensive income for the financial period</b>	-	-	-	(347)	662	-	315	(2)	313
<b>Contributions by owners</b>									
Issue of ordinary shares	7,864	-	-	-	-	-	7,864	-	7,864
Capital reduction	(22,800)	22,800	-	-	-	-	-	-	-
	(14,936)	22,800	-	-	-	-	7,864	-	7,864
<b>Changes in ownership interest in subsidiary</b>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(3)	(3)	(454)	(457)
<b>Others</b>									
Waiver of debt by former non-controlling interest	-	-	-	-	-	3,757	3,757	-	3,757
<b>Balance at 31 March 2016</b>	58,522	-	702	(93)	(31,058)	(2,848)	25,225	-	25,225
<b>Net profit for the financial period</b>	-	-	-	-	6,286	-	6,286	-	6,286
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(346)	-	-	(346)	-	(346)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(346)	-	-	(346)	-	(346)
<b>Total comprehensive income for the financial period</b>	-	-	-	(346)	6,286	-	5,940	-	5,940
<b>Changes in ownership interest in subsidiary</b>									
Disposal of interest in a subsidiary	-	-	-	221	-	2,845	3,066	-	3,066
<b>Balance at 30 June 2016</b>	58,522	-	702	(218)	(24,772)	(3)	34,231	-	34,231
<b>Net profit for the financial period</b>	-	-	-	-	1,478	-	1,478	-	1,478
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	151	-	-	151	-	151
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	151	-	-	151	-	151
<b>Total comprehensive income for the financial period</b>	-	-	-	151	1,478	-	1,629	-	1,629
<b>Balance at 30 September 2016</b>	58,522	-	702	(67)	(23,294)	(3)	35,860	-	35,860
<b>Net profit/(loss) for the financial period</b>	-	-	-	-	2,190	-	2,190	(82)	2,108
<b>Other comprehensive income for the financial period</b>									
Remeasurement of defined benefit scheme	-	-	-	-	(260)	-	(260)	-	(260)
Exchange differences arising from translation of foreign operations	-	-	-	186	-	-	186	(3)	183
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	186	(260)	-	(74)	(3)	(77)
<b>Total comprehensive income for the financial period</b>	-	-	-	186	1,930	-	2,116	(85)	2,031
<b>Contributions by owners</b>									
Transfer to statutory reserve	-	-	171	-	(171)	-	-	-	-
<b>Balance at 31 December 2016</b>	58,522	-	873	119	(21,535)	(3)	37,976	(85)	37,891

	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
<b>The Group</b>									
<b>Balance at 1 January 2015</b>	73,458	(22,800)	380	393	(11,748)	-	39,683	3,600	43,283
<b>Net profit for the financial period</b>	-	-	-	-	957	-	957	102	1,059
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	178	-	-	178	(31)	147
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	178	-	-	178	(31)	147
<b>Total comprehensive income for the financial period</b>	-	-	-	178	957	-	1,135	71	1,206
<b>Balance at 31 March 2015</b>	73,458	(22,800)	380	571	(10,791)	-	40,818	3,671	44,489
<b>Net loss for the financial period</b>	-	-	-	-	(21,533)	-	(21,533)	(9,546)	(31,079)
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	(281)	-	-	(281)	(148)	(429)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(281)	-	-	(281)	(148)	(429)
<b>Total comprehensive income for the financial period</b>	-	-	-	(281)	(21,533)	-	(21,814)	(9,694)	(31,508)
<b>Balance at 30 June 2015</b>	73,458	(22,800)	380	290	(32,324)	-	19,004	(6,023)	12,981
<b>Net profit/(loss) for the financial period</b>	-	-	-	-	3,059	-	3,059	(86)	2,973
<b>Other comprehensive income for the financial period</b>									
Exchange differences arising from translation of foreign operations	-	-	-	800	-	-	800	(55)	745
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	800	-	-	800	(55)	745
<b>Total comprehensive income for the financial period</b>	-	-	-	800	3,059	-	3,859	(141)	3,718
<b>Changes in ownership interest in subsidiary</b>									
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(6,602)	(6,602)	6,602	-
<b>Balance at 30 September 2015</b>	73,458	(22,800)	380	1,090	(29,265)	(6,602)	16,261	438	16,699
<b>Net (loss)/profit for the financial period</b>	-	-	-	-	(1,234)	-	(1,234)	28	(1,206)
<b>Other comprehensive income for the financial period</b>									
Remeasurement of defined benefit scheme	-	-	-	-	(899)	-	(899)	-	(899)
Exchange differences arising from translation of foreign operations	-	-	-	(836)	-	-	(836)	(10)	(846)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	(836)	(899)	-	(1,735)	(10)	(1,745)
<b>Total comprehensive income for the financial period</b>	-	-	-	(836)	(2,133)	-	(2,969)	18	(2,951)
<b>Contributions by owners</b>									
Transfer to statutory reserve	-	-	322	-	(322)	-	-	-	-
<b>Balance at 31 December 2015</b>	73,458	(22,800)	702	254	(31,720)	(6,602)	13,292	456	13,748

	Share capital	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>				
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
Balance at 1 January 2015 <sup>1</sup>	-	-	-	-
Loss for the financial period	-	(2,301)	-	(2,301)
Total comprehensive income for the financial period	-	(2,301)	-	(2,301)
Issue of ordinary shares in relation to restructuring exercise	73,458	-	-	73,458
Consideration shares issued	-	-	(22,800)	(22,800)
	73,458	-	(22,800)	50,658
Balance at 31 March 2015	73,458	(2,301)	(22,800)	48,357
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)	(22,800)	25,844
Loss for the financial period	-	(362)	-	(362)
Total comprehensive income for the financial period	-	(362)	-	(362)
Balance at 30 September 2015	73,458	(25,176)	(22,800)	25,482
Loss for the financial period	-	(855)	-	(855)
Total comprehensive income for the financial period	-	(855)	-	(855)
Balance at 31 December 2015	73,458	(26,031)	(22,800)	24,627

**Note**

<sup>1</sup> The Company was incorporated on 31 October 2014 with one (1) share at S\$1.

- 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 2016.

The Company has no outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

- 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 December 2016	31 December 2015
Total number of issued shares (excluding treasury shares)	496,158,657	472,618,657

There were no shares held as treasury shares at 31 December 2016 and 31 December 2015.

- 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 2016.

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 period ended 31.12.2015 as well as applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 01.01.2016.

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			
	4Q2016 (3 months) S'pore cents	4Q2015 (3 months) S'pore cents	12M2016 (12 months) S'pore cents	12M2015 (12 months) S'pore cents
Based on the number of shares in issue during the period	0.44	(0.26)	2.14	(3.97)
On fully diluted basis	0.44	(0.26)	2.14	(3.97)

Excluding the S\$3.22 million non-cash accounting net gain from disposal of a subsidiary, the 12M 2016 earning per ordinary share of the Group is 1.49 Singapore cents.

Item 6: The earnings per share for the period from 1 October 2016 to 31 December 2016 and 1 January 2016 to 31 December 2016 are calculated based on the weighted average share capital in issue during the period of 496,158,657 and 497,112,373 ordinary shares (1 October 2015 to 31 December 2015 and 1 January 2015 to 31 December 2015: 472,618,657 ordinary shares).

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 2016 S'pore cents	31 December 2015 S'pore cents	31 December 2016 S'pore cents	31 December 2015 S'pore cents
Net assets value per ordinary share (S'pore cents)	7.65	2.81	6.16	5.21
Net tangible assets value per ordinary share (S'pore cents)	6.46	1.89	6.16	5.21

Item 7: The net assets/net tangible assets value per share for the period ended 31 December 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).

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").
- (ii) On 12 January 2016, the Company issued 99,540,000 new ordinary shares at S\$0.079 per share (approximately S\$7.86 million). On 20 January 2016, the Company completed the capital reduction of 76,000,000 shares. As at 31 December 2016, the issued and paid-up share capital of the Company is 496,158,657 ordinary shares (approximately S\$58.52 million).
- (iii) On 31 May 2016, GSS Energy Investment Holdings Limited ("GEIHL"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Agreement") with PT Megah Kharisma Lestari ("PTMKL"), to sell its entire shareholding interest in Cepu Sakti Energy Pte Ltd ("CSE") to PTMKL for a consideration of S\$1. Under the Agreement, PTMKL assigned the rights to the old wells in the Trembul area, Indonesia, held by CSE or its subsidiaries, to the Company.
- (iv) On 28 September 2016, the Group and PT Sarana Pembangunan Jawa Tengah ("PT SPJT") incorporated an Indonesian entity PT Sarana GSS Trembul ("PT SGT"), with the Group holding 49% equity interest (with a 89% economic interest and consolidated as such). On 29 September 2016, PT SGT accepted an award from PT Pertamina EP ("Pertamina") as partner for the joint operation for production for the Trembul Operation Area and made an opportunity cost payment of US\$0.5 million to Pertamina (see announcement dated 5 October 2016). On 2 November 2016, PT SGT entered into an Operations Cooperation (Kerja Sama Operasi) Agreement with Pertamina (see announcement dated 3 November 2016).

#### Consolidated Income Statement

- (v) The Group booked consolidated turnover of S\$75.71 million for 12M2016, contributed entirely by the PE business. This compares to the turnover of S\$67.64 million for the corresponding period in 2015 (comprising S\$63.12 million from PE business and S\$4.52 million from O&G business).
- (vi) The gross profit for 12M2016 is S\$17.90 million contributed entirely by the PE business. This compares to the gross profit of S\$18.15 million for the corresponding period in 2015 (comprising S\$16.34 million from PE business and S\$1.81 million from O&G business).
- (vii) The Group recorded other income of S\$7.23 million in 12M2016. This is mainly attributable to net exchange gain of S\$0.41 million, an accounting gain of S\$3.22 million from the disposal of a subsidiary (see paragraph 8(iii)) and the second tranche compensation of S\$3.19 million (gain of S\$2.39 million after tax) received in 2Q2016 under the land acquisition agreement with the Changzhou Government State Land Office (see announcement dated 15 July 2015). The compensation has been invested on acquisition of new land and construction of new factory.

- (viii) Total selling and administration expenses for 12M2016 was S\$13.23 million. This includes S\$9.84 million for the PE business, S\$2.39 million for the O&G business and S\$1.00 million for corporate expenses including the share placement and capital reduction exercises.
- (ix) The Group recorded a net profit after tax of S\$10.54 million for 12M2016, including S\$10.41 million for the PE business (excluding the net of tax second tranche compensation, the PE business' net profit after tax was S\$8.02 million) and S\$1.18 million for the O&G business (excluding the net income from disposal of subsidiary, the O&G business incurred a net loss after tax of S\$2.04 million), and offset by corporate expenses.

#### **Consolidated Statement of Financial Position**

- (x) The Group's share capital as at 31 December 2016 was S\$58.52 million, a net decrease of S\$14.94 million from 31 December 2015. The changes are detailed in paragraph 8(ii).
- (xi) Exploration and evaluation assets as at 31 December 2016 was S\$4.06 million, an increase of S\$1.97 million from 31 December 2015. The increase was attributable to capitalisation of S\$0.84 million expenses associated with Trembul Operation Area oil project in Indonesia and S\$1.03 million investment contributed to Ramba Energy West Jambi Limited for drilling of two wells located in West Jambi, Sumatra, Indonesia.
- (xii) Property, plant and equipment as at 31 December 2016 was S\$6.37 million. This is an increase of S\$2.07 million from 31 December 2015 and includes S\$1.61 million for the construction of a new factory in Changzhou, China, S\$0.64 million to expand the production area in Batam, Indonesia and S\$1.44 million for new machineries and equipment, and partially offset by the depreciation of property, plant and equipment.
- (xiii) Trade receivables and trade payable as at 31 December 2016 was S\$18.91 million and S\$11.80 million, respectively. This is an increase of S\$5.32 million for trade receivable and S\$2.12 million for trade payable from 31 December 2015, due mainly to higher PE sales and purchases in 4Q2016.
- (xiv) Held-to maturity financial assets as at 31 December 2016 was S\$3.34 million, an increase of S\$2.90 million from 31 December 2015.
- (xv) Pledged deposit as at 31 December 2016 was S\$0.59 million. The amount is placed with financial institutions for providing security for banker guarantee issued for securing Operations Cooperation Agreement with Pertamina and securing loan for a subsidiary.
- (xvi) Other payables and accruals as at 31 December 2016 was S\$4.41 million, decrease of S\$1.23 million from 31 December 2015. The decrease was mainly attributable to reduction of liabilities associated with the disposed entity, CSE and its subsidiary.
- (xvii) The amount due to a former shareholder of CSE, was fully waived on 20 January 2016 upon completion of a settlement arrangement. Please see our announcements dated 23 October 2015 and 27 November 2015, and our circular to shareholders dated 5 November 2015.
- (xviii) Income tax payable as at 31 December 2016 was S\$1.95 million. This is a decrease of S\$2.25 million mainly attributable to reduction of tax provision associated with the disposed entity, CSE and its subsidiary.
- (xix) The net assets of the Group as at 31 December 2016 was S\$37.89 million, compared to S\$13.75 million at 31 December 2015. Net assets per share as at 31 December 2016 was S\$0.08.

#### **Consolidated Statement of Cash Flows**

- (xx) The Group generated a net operating cash inflow of S\$3.01 million for 12M2016.
- (xxi) Net cash of S\$5.68 million was used in investing activities during the period. This includes the S\$1.03 million investment contributed for the drilling of one well in West Jambi, Indonesia, S\$0.81 million incurred to secure the Trembul Operating Area oil project in Indonesia, S\$3.65 million for the purchase of property, plant and equipment and S\$2.92 million of held-to-maturity financial assets. This was offset by the S\$3.19 million second tranche compensation received.
- (xxii) Net cash generated by financing activities during the period was S\$7.38 million, due mainly to the S\$7.86 million proceeds from the issue of shares on 12 January 2016.
- (xxiii) Net cash and cash equivalents as at 31 December 2016 stood at S\$14.94 million (exclude S\$0.6 million pledged deposit), an increase of S\$4.71 million from 31 December 2015.

#### **Others**

- (xxiii) The Company has on 27 February 2017 offered 47.2 million share options to key executives of the Company and its subsidiaries (see announcement dated 28 February 2017).

### **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 are cautiously optimistic amid keen competition and increasingly challenging market conditions.

In the O&G business, the Group plans to embark on production drilling for the Trembul Production Area. We are working with Ramba Energy West Jambi Limited, the operator for West Jambi KSO block, to drill the second exploration well. 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.

11 (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.

The Company raised a net amount of about S\$7,820,000 from the issue of 99,540,000 ordinary shares in January 2016.

As at the date of this announcement, the use of the proceeds are as follows:

Use of Proceeds	Percentage Allocation	Amount	Percentage utilisation
<b>Net proceeds from placement</b>		<b>S\$7,820,000</b>	
<b><u>Amount utilised as at the date of this announcement</u></b>			
Oil drilling services in West Jambi, Sumatra Indonesia	Approximately 55% to 65%	S\$3,139,000	Approximately 40%
Expansion of oil drilling services operations	Approximately 25% to 30%	S\$2,237,000	Approximately 29%
General working capital of the Group	Approximately 5% to 20%	S\$1,917,000	Approximately 24%
		<b>S\$6,966,000</b>	
<b>Amount unutilised</b>		<b>S\$527,000</b>	

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	Eliminations S\$'000	Group S\$'000		
<b>December 2016</b>						
<b>Revenue</b>						
External customers	75,709	-	-	75,709		
Intersegment revenues	-	-	-	-		
Total revenue	<u>75,709</u>	<u>-</u>	<u>-</u>	<u>75,709</u>		
<b>Results</b>						
Operating profit	11,779	121	-	11,900		
Interest income				213		
Interest expense				(15)		
Share of results of of equity accounted joint venture, net of tax				(2)		
Income tax expenses				(1,559)		
Non-controlling interests				79		
Net Profit				<u>10,616</u>		
<b>Segment assets and liabilities</b>						
Segment assets	45,497	4,968	(4,643)	45,822		
Unallocated assets				<u>11,671</u>		
				<u>57,493</u>		
Segment liabilities	20,122	364	(3,167)	17,319		
Unallocated liabilities				<u>2,283</u>		
				<u>19,602</u>		
<b>Other segment information</b>						
Allowance for inventory obsolescence written back	31	-	-	31		
Allowance for inventory obsolescence	(206)	-	-	(206)		
Capital expenditure	(3,648)	-	-	(3,648)		
Compensation for expropriation of land and building by Changzhou Government State Land Office	3,185	-	-	3,185		
Depreciation and amortisation	1,554	8	-	1,562		
Gain on disposal of subsidiary	-	3,216	-	3,216		
<b>December 2015</b>						
<b>Revenue</b>						
External customers	63,124	4,518	-	67,642		
Intersegment revenues	-	-	-	-		
Total revenue	<u>63,124</u>	<u>4,518</u>	<u>-</u>	<u>67,642</u>		
<b>Results</b>						
Operating profit/(loss)	10,568	(34,693)	(64)	(24,189)		
Unallocated expenses				(1,599)		
Interest income				138		
Interest expense				(1)		
Share of results of joint venture				(8)		
Income tax expenses				(2,594)		
Non-controlling interests				9,502		
Net Loss				<u>(18,751)</u>		
<b>Segment assets and liabilities</b>						
Segment assets	41,922	2,154	(5,955)	38,121		
Segment liabilities	14,083	18,928	(8,638)	24,373		
<b>Other segment information</b>						
Allowance for inventory obsolescence written back	49	-	-	49		
Capital expenditure	(3,803)	(4)	-	(3,807)		
Compensation for expropriation of land and building by Changzhou Government State Land Office	2,816			2,816		
Depreciation and amortisation	(1,505)	(391)	-	(1,896)		
Property, plant and equipment written off	(859)	(143)	-	(1,002)		
<b>Geographical Segments</b>						
	Group Turnover		Group Assets		Group Expenditure	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	14,680	14,876	25,148	13,442	121	41
Indonesia	40,342	34,563	11,108	9,522	1,299	1,513
China	10,673	9,090	17,434	13,071	2,228	2,253
Other Countries	10,014	9,113	3,803	2,086	-	-
	<u>75,709</u>	<u>67,642</u>	<u>57,493</u>	<u>38,121</u>	<u>3,648</u>	<u>3,807</u>

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 2016	31 December 2015	
(a) Sales reported for first half year	S\$'000 35,146	S\$'000 34,568	% 1.67%
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	6,951	(30,020)	NM
(c) Sales reported for second half year	40,563	(33,074)	NM
(d) Operating profit after tax before deducting minority interests reported for second half year	5,145	4,361	17.98%

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 2017

*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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