

GSS ENERGY LIMITED

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



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

GSS Energy continues its profitable performance in 1Q2017 with a 55.5% growth in net profit

- **Precision Engineering (“PE”) revenue grew by 28.3% while net profit increased by 32.9% year-on-year (“yoy”)**
- **Preparations are underway to begin production drilling in the Trembul Production Area in the coming months**
- **The Group’s balance sheet remains strong with net assets of S\$ 38.8 million**

Singapore, 12 May 2017 – 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 months ended 31 March 2017 (“**1Q2017**”).

FINANCIAL REVIEW

The Group recorded revenue of S\$ 21.7 million in 1Q2017, entirely contributed by the PE business which revenue grew by 28.3% yoy. 1Q2017 gross profit was S\$ 5.1 million, rising 26.4% yoy from S\$ 4.0 million in 1Q2016.

The Group’s increased business activities resulted in a slight increase in overall operating expenses, which increased by S\$ 0.5 million to S\$ 3.7 million in 1Q2017, due to vigilant cost controls including streamlining of operations. The O&G business incurred a net loss of S\$ 0.9 million in 1Q2017 due to pre-operation and related expenses. With the S\$ 1.9 million profit contributed by the PE business, the Group’s net profit rose by 55.5% to S\$ 1.03 million.

	1Q2017 (3 months)	1Q2016 (3 months)	Change
	(S\$'000)	(S\$'000)	%
Revenue	21,706	16,925	28.3
Gross Profit	5,090	4,026	26.4
Gross Profit Margin	23.5%	23.8%	(0.3)ppt
Other Income	57	112	(49.1)
Distribution & Selling Expenses	(1,819)	(1,560)	16.6
Administrative Expenses	(1,325)	(1,384)	(4.3)
Other Expenses	(551)	(239)	NM
Profit attributable to shareholders of the company	1,034	665	55.5

Note: NM denotes not meaningful, ppt denotes percentage points

<i>Financial positions</i>	As At 31 March 2017	As At 31 December 2016	Change
	(S\$'000)	(S\$'000)	%
Cash and cash equivalents	11,429	14,942	(23.5)
Total assets	58,423	57,493	1.6
Loan and borrowings	59	114	(48.2)
Total liabilities	19,635	19,602	0.2
Total equity	38,788	37,891	2.4
Net asset value per share (Singapore cents)*	7.84	7.65	2.5

*The net assets value per share for the period ended 31 March 2017 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 2016: 496,618,657 ordinary shares)

The Group's balance sheet remains robust. The Group holds a net cash balance of S\$ 11.4 million as at 31 March 2017.

The Group's net asset value per share increased from 7.65 Singapore cents per share as of 31 December 2016 to 7.84 Singapore cents per share as of 31 March 2017.

BUSINESS REVIEW AND OUTLOOK

The Group is confident on further growth in its PE business. The new factory in Changzhou, China will be operational by mid-2017 and will focus on higher-value products with its expanded capacity including taking on electronic manufacturing services. At the same time, the Group is actively exploring business potential in related areas through acquisitions and/or strategic and operational arrangements.

As announced in November 2016, the Group's O&G segment has successfully entered into the Operation Cooperation (Kerja Sama Operasi) Agreement with PT Pertamina EP. Preparations to commence production drilling in the Trembul Operation Area are well advanced.

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

***“We are very pleased with our solid performance in the first quarter of 2017. Our PE business is on a steady growth path driven by our focus of working closely with existing customers for higher-value products, success with new customers and better operational coordination and collaboration amongst our factories in Indonesia, Singapore and China. This is reflected in the 32.9% yoy increase in net profit and our solid balance sheet and strong cash position.*”**

Looking forward, we are cautiously optimistic of our Group's performance anchored on an established and growing PE business and the advanced stage of our O&G venture under the KSO arrangement with our partners in Central Java. At the same time, our strong financial position would allow us to take on business opportunities in related areas of our business or new ventures as well.”

- End -

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

Issued for and on behalf of GSS Energy Limited

By Financial PR Pte Ltd

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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.

This announcement has not been examined or approved by SGX-ST and the 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 announcement.

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