

## GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

### **GSS Energy posts net profit of S\$1.5 million and revenue of S\$77.4 million for 9M2019**

- The Group seeks to increase its profitability from generating higher sales volume for its Precision Engineering (“PE”) business through current and new product areas in new markets and distribution channels in the midst of challenging market conditions.

**Singapore, 14 November 2019** – The Board of Directors (the “Board”) of GSS Energy Limited (“GSS Energy”, and together with its subsidiaries, the “Group”) announced its financial results for the nine months ended 30 September 2019 (“9M2019”).

#### **FINANCIAL REVIEW**

	<b>3Q2019</b>	<b>3Q2018</b>	<b>Change</b>	<b>9M2019</b>	<b>9M2018</b>	<b>Change</b>
	<b>3 months</b>	<b>3 months</b>		<b>9 months</b>	<b>9 months</b>	
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>%</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>%</b>
<b>Revenue</b>	28,657	29,169	(1.8)	77,372	79,395	(2.6)
<b>Gross Profit</b>	6,118	5,712	7.1	13,787	16,678	(17.3)
<b>Gross Profit Margin</b>	21.3%	19.6%	1.7ppt	17.8%	21.0%	(3.2) ppt
<b>Net total Expenses<sup>1</sup></b>	(3,495)	(3,049)	14.6	(10,074)	(9,622)	4.7
<b>Net profit/(loss) attributable to shareholders of the company</b>	1,615	1,317	22.6	1,502	1,449	3.7

Note: ppt denotes percentage points, NM denotes Not Meaningful

#### **FINANCIAL REVIEW**

In 9M2019, the Group’s turnover was S\$77.4 million vs S\$79.4 million for corresponding period in 2018. The Group achieved a gross margin of 17.8% taking into account of tighter pricing from competitive environment.

Recognizing the challenging operating environment, the Group managed its overall finances prudently to hold its total expenses steady at about S\$9.9 million, similar to 9M2018. As a

<sup>1</sup> Net total expenses = Distribution and Selling Expenses + Administration Expenses + Other Operating Expenses

result, the Group achieved net profit of S\$1.5 million in 9M2019, an increase in net of 3.7 % against the corresponding period in 2018.

<i>Financial Positions</i>	As At	As At	Change
	30 September 2019	31 December 2018	
	(S\$'000)	(S\$'000)	%
Cash and Cash Equivalents	5,454	6,111	(10.8)
Total Assets	80,435	76,933	4.6
Loan and Borrowings	5,809	5,033	15.4
Total Liabilities	32,128	30,476	5.4
Total Equity	48,307	46,457	4.0
Net Asset Value per Share (Singapore cents)*	9.84	9.45	4.1

\* The net asset value per share for the period ended 30 September 2019 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 496,158,657 ordinary shares (31 December 2018: 496,158,657 ordinary shares)

The Group's balance sheet as of 30 September remains stable with S\$5.5 million in cash and cash equivalent. Borrowings for capital investment rose marginally to S\$5.8 million. Overall, net asset value per share rose by 4% to 9.84 Singapore as of 30 September 2019.

## **BUSINESS UPDATES AND OUTLOOK**

Commenting on the results of 9M2019 and outlook for the Group, Mr. Sydney Yeung, CEO remarked; ***“Despite the uncertainties in the environment and challenging conditions, we have achieved a revenue of S\$77.4 million for 9M2019. We remain committed to pursue new business initiatives and explore suitable opportunities to expand our business.”***

- End -

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

GSS Energy core operating business: Precision Engineering (“PE”). 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 (“SGXST”) on February 12, 2015. Pursuant to a scheme of arrangement under Section 210 of the Companies Act, undertaken by Giken Sakata, Giken Sakata became a wholly-owned operating subsidiary of GSS Energy. Giken Sakata had been listed on SGX since 1993 and its listing status was transferred to GSS Energy with effect from February 12, 2015.

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

Issued by GSS Energy Limited

For more information, please contact:

Eugene Lee

[Eugene.lee@giken.com.sg](mailto:Eugene.lee@giken.com.sg)

Tel: (65) 6259 9133, Fax: (65) 6259 9822

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"). It has not been examined or approved by Singapore Exchange Securities Trading Limited ("**SGX-ST**") and SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Bernard Lui;

Telephone no.: (65) 6389 3000;

Email address: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)