

GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201432529C)



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

GSS Energy posted Revenue of S\$43.0 million and Net Profit of S\$1.5 million for 1H2020

- Amidst challenging COVID-19 conditions, the Group achieved a turnaround in level of profitability compared to the corresponding period last year
- The Group's factories in Singapore, Indonesia and China continue to operate within stricter health guidelines to deliver timely orders
- The Group's balance sheet remains sound with adequate working capital and modest drawdown of loan facility for financing of intermediary inputs for ordered products

Singapore, 14 August 2020 – 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 six months ended 30 June 2020 (“**1H2020**”).

FINANCIAL REVIEW

	1H2020 6 months	1H2019 6 months	Change
	(S\$'000)	(S\$'000)	%
Revenue	42,955	48,715	(11.8)
Gross Profit	8,590	7,669	12.0
Gross Profit Margin	20.0%	15.7%	4.3ppt
Other Income	625	158	>100
Total Operating Expenses	(6,005)	(6,579)	(8.7)
Corporate Expenses	(694)	(1,186)	(41.5)
Other Comprehensive Income	1,141	(624)	NM
Net profit attributable to shareholders of the company	1,642	(113)	NM

Note: ppt denotes percentage points

The Group's revenue of S\$43.0 million for 1H2020 was 11.8% lower compared with S\$48.7 million in 1H2019. This was due to reduced orders for consumer electronics and automotive

products due to lower demand brought about by rising COVID-19 infections and rapid community transmissions resulting in well spread economic uncertainties in established markets.

The Group's net profit after tax of S\$1.5 million for 1H2020 was entirely from the PE business and outperformed the S\$0.6 million losses recorded for similar period last year. Under the difficult trading conditions for first half of this year, the Group kept its operating expenses steady at S\$6.0 million, the same as for 1H2019.

<i>Financial Positions</i>	As At 30 June 2019	As At 31 December 2019	Change
	(S\$'000)	(S\$'000)	%
Cash and Cash Equivalents	7,963	7,251	9.8
Total Assets	87,557	76,701	14.2
Loan and Borrowings	7,617	5,494	38.6
Total Liabilities	36,869	28,790	28.1
Total Equity	50,688	47,911	5.8
Net Asset Value per Share (Singapore cents)*	10.4	9.8	6.1

*The net assets value per share for the period ended 30 June 2020 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 496,858,657 ordinary shares (31 December 2019: 496,158,657 ordinary shares).

The Group maintains a healthy balance sheet with S\$8.0 million in cash and equivalents, as of 30 June 2020. There was a slight increase in drawing down on loan facilities to meet the higher expenses anticipated to be incurred in expanding to new product lines and related intermediate goods requirements.

The Group's net asset value per share improved to 10.4 Singapore cents as of 30 June 2020 from 9.8 Singapore cents as of 31 December 2019.

BUSINESS UPDATES AND OUTLOOK

Commenting on the financial results and outlook for the Group, Mr. Sydney Yeung, CEO of GSS Energy Limited commented, **“COVID-19 was a game-changing event that caused severe disruptions to manufacturing and supply chains worldwide with adverse impact on most economies. Fortunately, our established global clients are able to weather well the impact of reduced overall demand in their consumer and electrical good segments and maintain their orders for our PE business. This helps us to maintain our labour force in our factories across Indonesia, China and Singapore amidst special arrangements put in place to ensure workforce safety with minimal disruptions to production under COVID-19 conditions. In past months, we have been monitoring closely the evolving situation with regard to the pandemic on orders and production processes to ensure we are able to promptly respond to fast changing circumstances. We maintain regular online contacts with clients and provide regular virtual updates to our factories to keep their nimbleness in fast response to evolving situations”**.

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

GSS Energy is a Precision Engineering (“PE”) company with a presence in Singapore, Indonesia and China complemented by an investment in oil & gas business in Indonesia.

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 by GSS Energy Limited

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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.

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