UNION GAS HOLDINGS LIMITED

(Company Registration No. 201626970Z)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Union Gas Holdings Limited (the "**Company**") was incorporated in Singapore on 3 October 2016 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "**Group**") was formed through a restructuring exercise (the "**Restructuring Exercise**") which involved a series of acquisitions, rationalisation of the corporate and shareholding structure as well as business and operations of our Group prior to the Company's listing on Catalist. Please refer to the Company's offer document dated 13 July 2017 (the "**Offer Document**") for further details on the Restructuring Exercise.

For the purpose of this announcement, our Group's results for financial year ended 31 December 2017 ("**FY2017**") and comparative results for the financial year ended 31 December 2016 ("**FY2016**") have been prepared using the pooling of interest method, and the consolidated financial statements are presented as if the combination has occurred since the beginning of the earliest period presented.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Financial Year ended 31 December		
	2017	2016	Increase/ (decrease)
	S$'000	S$'000	%
Revenue	39,186	35,725	9.7
Cost of sales	(25,341)	(24,128)	5.0
Gross profit	13,845	11,597	19.4
Other gains	61	34	79.4
Other income	693	321	115.9
Marketing and distribution costs	(6,847)	(6,344)	7.9
Administrative expenses	(3,411)	(784)	335.1
Finance costs	(35)	(42)	(16.7)
Other losses	(84)	(34)	147.1
Profit before income tax	**4,222**	**4,748**	**(11.1)**
Income tax expenses	(747)	(788)	(5.2)
Profit, net of tax and total comprehensive income for the year	**3,475**	**3,960**	(12.2)

1(a)(ii) Notes to the Statements of Comprehensive Income

Profit before tax has been arrived at after crediting / (charging) the following:

	Group		
	Financial Year ended 31 December		
	2017	2016	Increase/ (decrease)
	S$'000	S$'000	%
Depreciation expense	(1,967)	(1,096)	79.5
Allowance for impairment of trade and other receivables	(81)	(13)	523.1
Bad debts written-off	(3)	(1)	200.0
Foreign exchange gains/(losses)	1	(20)	n.m.(1)
Gain on disposal of plant and equipment	60	34	76.5
Rental income	323	268	20.5
Other income	370	53	598.1
Interest expenses	(35)	(42)	(16.7)
Listing expenses	(1,202)	–	n.m.(1)

Note:

(1) n.m. denotes 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 year.

	Group		Company	
	As at		As at	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,445	9,122	–	–
Investment in subsidiaries	–	–	10,800	10,800
Total non-current assets	9,445	9,122	10,800	10,800
Current assets				
Inventories	319	271	–	–
Trade and other receivables	1,447	9,309	4,103	5
Other assets	145	263	22	83
Cash and cash equivalents	16,098	1,149	4,835	39
Total current assets	18,009	10,992	8,960	127
Total assets	**27,454**	**20,114**	**19,760**	**10,927**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17,069	10,000	17,069	10,000
Retained earnings	4,560	1,085	2,443	(12)
Merger reserve	(1,800)	(1,800)	–	–
Total equity	19,829	9,285	19,512	9,988
Non-current liabilities				
Deferred tax liabilities	656	424	–	–
Other financial liabilities	287	525	–	–
Provisions	300	247	–	–
Total non-current liabilities	1,243	1,196	–	–
Current liabilities				
Income tax payable	655	577	–	–
Trade and other payables	5,005	8,436	248	939
Other financial liabilities	722	620	–	–
Total current liabilities	6,382	9,633	248	939
Total liabilities	7,625	10,829	248	939
Total equity and liabilities	**27,454**	**20,114**	**19,760**	**10,927**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	As at 31 December 2017		As at 31 December 2016	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amount repayable in one year or less, or on demand	722	–	620	–
Amount repayable after one year	287	–	525	–

Details of any collaterals

As at 31 December 2017, secured borrowings comprised:

1. Term loan of S$528,000 (31 December 2016: S$1,145,000) which is secured by:
   (i) corporate guarantee from the Company;
   (ii) first legal mortgage over the leasehold property of our Group; and
   (iii) joint and several guarantees from the controlling shareholder and a director of the Company.

2. Finance leases of S$481,000 (31 December 2016: Nil) which are secured by:
   (i) corporate guarantee from the Company; and
   (ii) joint and several guarantees from the controlling shareholder and a director of the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Financial Year Ended 31 December	
	2017	2016
	S$'000	S$'000
Cash flows from operating activities		
Profit before income tax	4,222	4,748
Adjustments for:		
Interest income	(21)	–
Interest expense	35	42
Depreciation of property, plant and equipment	1,967	1,096
Gain on disposal of property, plant and equipment	(60)	(34)
Listing expenses	1,202	–
Operating cash flows before changes in working capital	7,345	5,852
Inventories	(48)	(60)
Trade and other receivables	(64)	(725)
Other assets	118	(202)
Trade and other payables	(3,378)	410
Net cash flows from operations	3,973	5,275
Income tax paid	(437)	(792)
Net cash flows from operating activities	3,536	4,483
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,998)	(2,613)
Proceeds from disposal of property, plant and equipment	360	46
Other receivables from related party	7,926	(4,284)
Interest income received	21	–
Net cash flows from/(used in) investing activities	6,309	(6,851)
Cash flows from financing activities		
Repayment of other financial liabilities	(728)	(600)
Gross proceeds from initial public offering ("IPO")	7,500	–
Listing expenses paid	(1,633)	–
Interest paid	(35)	(42)
Net cash flows from/(used in) financing activities	5,104	(642)
Net increase/(decrease) in cash and cash equivalents	**14,949**	**(3,010)**
Cash and cash equivalents, statement of cash flows, beginning	1,149	4,159
Cash and cash equivalents, statement of cash flows, ending balance	**16,098**	**1,149**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	**Share capital**	**Retained earnings**	**Merger reserve**	**Total equity**
	S$'000	S$'000	S$'000	S$'000
At 1 January 2017	10,000	1,085	(1,800)	9,285
Total comprehensive income for the year	–	3,475	–	3,475
Issuance of new shares pursuant to IPO	7,500	–	–	7,500
Capitalisation of listing expenses	(431)	–	–	(431)
	7,069	–	–	7,069
At 31 December 2017	17,069	4,560	(1,800)	19,829
At 1 January 2016	10,000	1,390	(1,800)	9,590
Total comprehensive income for the year	–	3,960	–	3,960
Dividends	–	(4,265)	–	(4,265)
At 31 December 2016	10,000	1,085	(1,800)	9,285

The Company	**Share capital**	**Retained earnings**	**Total equity**
	S$'000	S$'000	S$'000
At 1 January 2017	10,000	(12)	9,988
Total comprehensive income for the year	–	2,455	2,455
Issuance of new shares pursuant to IPO	7,500	–	7,500
Capitalisation of listing expenses	(431)	–	(431)
	7,069	–	7,069
At 31 December 2017	17,069	2,443	19,512
At 3 October 2016 (date of incorporation) [(1)]	10,000	-	10,000
Total comprehensive income for the period	–	(12)	(12)
At 31 December 2016	10,000	(12)	9,988

Note:

(1) Balance takes into account the shares issued to the controlling shareholder pursuant to the restructuring exercise as described in note 1.2 of Appendix A in the Offer Document, which is deemed to have taken place since the beginning of the earliest period presented.

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 issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Details of changes in the Company's share capital

	No. of ordinary shares	Amount S$
Issued and paid-up share capital as at 3 October 2016 (date of incorporation) and 1 January 2017	2	2
Issue of ordinary shares (1)	9,999,998	9,999,998
Issued and fully paid shares before share split	10,000,000	10,000,000
Share split (2)	170,000,000	10,000,000
Issue of new shares pursuant to IPO (3)	30,000,000	7,500,000
Listing expenses (4)	–	(430,523)
At 31 December 2017	200,000,000	17,069,477

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2017 and 31 December 2016.

Notes:

(1) Shares issued to the controlling shareholder pursuant to the restructuring exercise as described in note 1.2 of Appendix A in the Offer Document.

(2) Pursuant to written resolutions passed on 22 June 2017, our then shareholder approved the subdivision of each ordinary share in the issued and paid-up share capital of the Company into 17 ordinary shares.

(3) Pursuant to the IPO, the Company issued and allotted 30,000,000 ordinary shares for the consideration of S$7,500,000.

(4) Listing expenses incurred pursuant to the IPO amounted to S$1,633,000, of which S$431,000 has been capitalised against share capital while the remaining amount of S$1,202,000 has been included in "administrative expenses" and "marketing and distribution costs" in the consolidated statement of comprehensive income.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares	
	As at	
	31/12/2017	31/12/2016
Total number of issued shares excluding treasury shares	200,000,000	2

There were no treasury shares as at 31 December 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares as at 31 December 2017 and 31 December 2016.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings as at 31 December 2017 and 31 December 2016.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditor of the Company.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a 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.

Saved as disclosed in paragraph 5 below, our Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year ended 31 December 2017 as compared to its audited financial statements for the financial year ended 31 December 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 effect of, the change.

Our Group has adopted all the new and revised financial reporting standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to our Group and effective for the financial period beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in changes to our Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	Financial Year Ended	
	31/12/2017	31/12/2016
Profit, net of tax (S$'000)	3,475	3,960
Weighted average number of ordinary shares ('000)	183,397	170,000 (1)
EPS – Basic and diluted (cents)	1.89	2.33

EPS is calculated based on profit, net of tax divided by the weighted average number of ordinary shares.

Note:

(1) For illustrative purposes, the issued and paid-up share capital of the Company of 170,000,000 ordinary shares is assumed to have been in issue throughout the entire financial year ended 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share 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	
	As at		As at	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net assets value per ordinary share (cents)	9.90	5.46	9.76	5.87
Number of ordinary shares used in computation of net asset value per ordinary share ('000)	200,000	170,000 (1)	200,000	170,000 (1)

Note:

(1) For illustrative purposes, the issued and paid-up share capital of the Company of 170,000,000 ordinary shares is assumed to have been in issue as at 31 December 2016.

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 affected 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.

Review of Group's performance

Revenue

Revenue increased by approximately S$3.46 million or 9.7% from S$35.73 million in FY2016 to S$39.19 million in FY2017, mainly due to increase in (i) revenue from the retail of bottled liquefied petroleum gas ("**LPG**") cylinders and LPG-related accessories to mainly domestic households in Singapore ("**Retail LPG Business**"), and (ii) sale and distribution of diesel to retail customers at our fuel station at 50 Old Toh Tuck Road and bulk sale of diesel to commercial customers ("**Diesel Business**"), and partially offset by decrease in sales of compressed natural gas ("**CNG**") primarily to natural gas vehicles ("**NGVs**") and industrial customers for their commercial use at 50 Old Toh Tuck Road ("**CNG Business**").

Retail LPG Business

The revenue from our Retail LPG Business increased by approximately S$2.10 million or 9.9% from S$21.25 million in FY2016 to S$23.35 million in FY2017. The increase was mainly due to the increase in the average selling price of our bottled LPG cylinders by approximately 15.2% in FY2017 compared to FY2016 in line with increase in Saudi Aramco Contract Prices[1] This was partially offset by decrease in our sales volume by approximately 2.7%.

CNG Business

The revenue from our CNG Business decreased by approximately S$3.66 million or 38.9% from S$9.41 million in FY2016 to S$5.75 million in FY2017. The decrease is mainly due to decrease in our sales volume by approximately 45.3% from approximately 8.04 million kg in FY2016 to 4.40 million kg in FY2017 as a result of decrease in the number of natural gas vehicle, a vehicle that operates on CNG or hybrid CNG and petrol in Singapore. This was partially offset by increase in average selling price of our CNG by approximately 12.0% in FY2017 compared to FY2016 due to increase in our cost of purchase of natural gas arising from increase in High Sulfur Fuel Oil prices.

Diesel Business

The revenue from our Diesel Business increased by approximately S$5.02 million or 99.0% from S$5.07 million in FY2016 to S$10.09 million in FY2017. The increase was mainly due to increase in (i) the average selling price of our diesel arising from increase in international oil prices and the introduction of volume-based duty at S$0.10 per litre on automotive diesel, industrial diesel and the diesel component in biodiesel which took effect from 20 February 2017; and (ii) sales volume by approximately 44.6% from approximately 8.63 million litres in FY2016 to 12.48 million litres in FY2017 as a result of increase in sales of diesel to our commercial customers.

[1] The contract price for LPG derived from the contract prices for propane and butane published by the Saudi Arabian Oil Company (Saudi Aramco) on the first working day of each month and applicable to all purchases of LPG throughout the particular month.

Cost of Sales

Our cost of sales increased by approximately S$1.21 million or 5.0% from S$24.13 million in FY2016 to S$25.34 million in FY2017. This was mainly due to:

(i) increase in direct material costs by approximately S$1.98 million mainly arising from increase in the average cost of purchase of (a) natural gas by approximately 34.7% in FY2017 compared to FY2016; and (b) diesel by approximately 43.5% as well as higher volume of diesel purchase by approximately 44.6% in FY2017 compared to FY2016. This was partially offset by the decrease in (a) average cost of bottled LPG cylinder by approximately 7.4% and volume of bottled LPG cylinder by approximately 2.7% in FY2017 compared to FY2016; and (b) volume of natural gas by approximately 45.3% in FY2017 compared to FY2016; and

(ii) decrease in direct overhead cost by approximately S$0.77 million or 19.7% from S$3.91 million in FY2016 to S$3.14 million in FY2017 mainly due to the decrease in (a) custom and excise duty by approximately S$0.65 million as a result of the decrease in CNG sales volume; and (b) utilities by approximately S$0.18 million as a result of the decrease in CNG sales volume and lower rates charge by the supplier due to change of service provider in April 2017. This was partially offset by an increase in depreciation by approximately S$0.14 million arising from renovation of retail station at 50 Old Toh Tuck Road which was completed in December 2016.

Gross Profit

Our gross profit increased by approximately S$2.25 million or 19.4% from S$11.60 million in FY2016 to S$13.85 million in FY2017 due to increase in revenue and our gross profit margin increased from approximately 32.5% in FY2016 to approximately 35.3% in FY2017.

The increase in gross profit margin was mainly due to the decrease in our purchase cost of bottled LPG cylinders, and partially offset by the increase in our purchase cost of natural gas and diesel out-pacing the increase in our average selling price of natural gas and diesel to customers.

Other Gains

Our other gains of S$0.06 million in FY2017 comprise mainly gain on disposal of motor vehicles.

Other income

Our other income increased by approximately S$0.37 million or 115.6% from S$0.32 million in FY2016 to S$0.69 million in FY2017. The increase in other income was mainly due to (i) service fees of approximately S$0.18 million relating to provision of IT infrastructure services to Sembas (Asia) Trading Pte. Ltd. ("**Sembas**") which commenced in May 2017; and (ii) rental income of approximately S$0.06 million relating to rental of motor vehicles to Sembas and Gasmart Pte. Ltd. ("**Gasmart**").

Marketing and Distribution Costs

Our marketing and distribution costs increased by approximately S$0.51 million or 8.0%, from S$6.34 million in FY2016 to S$6.85 million in FY2017. The increase was mainly due to increase in (i) depreciation of motor vehicles of S$0.56 million as a result of purchase of motor vehicles from Semgas (S) Pte. Ltd. ("**Semgas**") and Choon Hin Gas Supply Pte. Ltd. ("**Choon Hin**") in October 2016; (ii) service charges and delivery charges of S$0.21 million arising from revision of delivery rate of bottled LPG cylinders to domestic households; (iii) insurance for motor

vehicles of S$0.09 million due to purchase of own motor vehicles; and (iv) employees compensation of $0.69 million arising from the transfer of our employees involved in call centre function from Union Energy Corporation Pte. Ltd. ('**UEC**") and its subsidiaries (the "**UEC Group**") in FY2017, while there were no such expenses in FY2016 as the call centre function of our Group was provided by the UEC Group then.

This was partially offset by the decrease in rental expense of motor vehicle of S$1.07 million as we purchased our own motor vehicles in October 2016.

Administrative Expenses

Our administrative expenses increased by approximately S$2.63 million or 337.2% from S$0.78 million in FY2016 to S$3.41 million in FY2017. The increase was mainly due to the increase in (i) employee compensation of S$0.50 million arising from transfer of some of our employees (including our Executive Director and CEO, Alexis Teo) involved in operational and administrative functions from UEC Group in October 2016; (ii) listing expenses of S$1.19 million; (iii) depreciation of plant and equipment of S$0.17 million mainly arising from acquisition of IT Infrastructure and related equipment from Sembas in April 2017; and (iv) director fees of $0.15 million.

Finance Costs

Our finance costs decreased by approximately S$7,000 or 16.7% from S$42,000 in FY2016 to S$35,000 in FY2017, mainly due to a decrease in net bank borrowings.

Other Losses

Our other losses increased by approximately S$50,000 or 147.1% from a loss of approximately S$34,000 in FY2016 to a loss of approximately S$84,000 in FY2017 mainly due to increase in allowance for impairment of trade receivables from our Diesel Business arising from tightening of impairment policy.

Income Tax Expense

Our income tax expense decreased by approximately S$0.04 million or 5.1% from S$0.79 million in FY2016 to S$0.75 million in FY2017. This was mainly due to claims made under the productivity and innovation credit scheme, and partially offset by listing expenses that are not tax-deductible in nature.

Profit, Net of Tax

As a result of the above, our profit after tax decreased by approximately S$0.48 million or 12.1% from S$3.96 million in FY2016 to S$3.48 million in FY2017.

Review of Group's Financial Position

Non-Current Assets

Non-current assets increased by approximately S$0.32 million or 3.5% from S$9.12 million as at 31 December 2016 to S$9.44 million as at 31 Dec 2017. The increase was mainly due to (i) purchase of motor vehicles from third party of S$0.89 million and Semgas of S$0.88 million; (ii) purchase of IT Infrastructure and equipment from third party of S$0.17 million and Sembas of S$0.17 million; and (iii) purchase of a diesel truck of S$0.26 million. This was partially offset by depreciation expenses for the year.

Current Assets

Current assets increased by approximately S$7.02 million or 63.9% from S$10.99 million as at 31 December 2016 to S$18.01 million as at 31 December 2017. This was mainly due to increase in cash and cash equivalents of S$14.95 million and was partially offset by decrease in trade and other receivables by approximately S$7.86 million, as we received payment from Union Energy Corporation Pte. Ltd. ("**UEC**", and together with its subsidiaries the "**UEC Group**") of S$7.88 million.

Current Liabilities

Current liabilities decreased by approximately S$3.25 million or 33.7% from S$9.63 million as at 31 December 2016 to S$6.38 million as at 31 December 2017. This was mainly due to decrease in trade and other payables by approximately S$3.43 million arising from (i) accrued liabilities of S$0.48 million relating mainly to decrease in purchase of natural gas and customs and excise duties; (ii) repayment to UEC Group of S$2.86 million; and (iii) repayment to our Controlling Shareholder of S$0.13 million. This was partially offset by increase in other financial liabilities of S$0.10 million due to new hire purchase loans arising from purchase of motor vehicles.

Equity Attributable to Owners of Our Company

The increase in equity by approximately S$10.54 million or 113.5% from S$9.29 million as at 31 December 2016 to S$19.83 million as at 31 December 2017 was due to (i) net profit achieved in FY2017 of approximately S$3.48 million; and (ii) new shares issued pursuant to IPO July 2017 of approximately S$7.07 million.

Review of Group's Cash Flows

In FY2017, our net cash flows from operating activities amounting to S$3.54 million. We generated operating cash flows before changes of working capital of S$7.35 million which was partially offset by our net working capital outflow of approximately S$3.37 million and taxes paid of S$0.44 million. The net working capital outflow was mainly due to decrease in trade and other payables of approximately S$3.38 million and partially offset by decrease in other assets of S$0.12 million.

Net cash flows from investing activities amounted to approximately S$6.31 million in FY2017, mainly due to repayment from UEC of S$7.93 million and partially offset by purchase of property, plant and equipment of S$2.00 million.

Net cash flows from financing activities amounted to S$5.10 million in FY2017, mainly due to net proceeds from issue of new ordinary shares of approximately S$7.50 million, and partially offset by (i) repayment of bank borrowing of S$0.73 million; (ii) interest paid of S$0.04 million; and (iii) payment for listing expenses of approximately S$1.63 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The financial performance of our Group for FY2017 is generally in line with what was disclosed in the section entitled "General Information on our Group – Trend Information" of the Offer Document, and in the half-year financial statements for the six months ended 30 June 2017.

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.

Based on the sales and operations of our Group, the outlook for next 12 months remains challenging due to the highly competitive nature of the industry, fluctuation in purchase costs of bottled LPG cylinders, natural gas and diesel, labour shortage and changes in government regulation. In addition, our Group expects revenue from our CNG Business to decrease in line with the expected decrease in the number of NGVs in Singapore.

As announced previously, our Group is currently exploring the following opportunities to expand our business through acquisitions that we believe will complement our current and future businesses.

1) On 29 December 2017, the Company has announced that the Company has entered into a non-binding memorandum of understanding with Semgas Supply Pte Ltd (the "Vendor") to acquire certain assets (the "Assets") from the Vendor. The Assets refer to the business of retail distribution of bottled LPG cylinders and sale of LPG-related accessories to the domestic household.

2) On 14 February 2018, the Company had issued a binding letter of intent to UEC to express its intention to exercise the commercial business call option for the purposes of acquiring certain parts of the commercial segment of the business of UEC which relates to the business of the retail sale of LPG to hawker centres.

11. Dividend

(a) Dividend declared (recommended) for the current financial period reported on

Yes. The board of directors of the Company (the "**Board**") is proposing a first and final dividend in respect of FY2017 (the "**Dividend**"), as follows:

Name of dividend	First and final dividend
Dividend type	Cash
Dividend per ordinary share	1.00 Singapore cent
Total annual dividend	S$2,000,000

The Dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held in April 2018.

(b) Dividend declared (recommended) for the corresponding period of the immediately preceding financial year

None.

(c) Whether the dividend is before tax, net of tax, or tax exempt.

Tax exempt (one-tier).

(d) Date payable

To be announced at a later date.

(e) Books closure date

To be announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable. The Board is recommending to declare the Dividend in respect of FY2017.

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.

On 30 June 2017, our Group reimbursed Sembas at cost amounting to approximately S$460,000 for the payment on behalf of our Group for GST for the quarter of April 2017 to June 2017 ("**GST payment**"). Other than the Restructuring Exercise and interested person transactions ("**IPT**") as disclosed from pages 71 to pages 73 and pages 149 to 179 respectively of the Offer Document, the GST payment and below, there were no additional IPT of S$100,000 and above during FY2017.

Our Group has a general mandate for IPTs ("**Shareholders' Mandate**") set out in the following table, which has been effective since 21 July 2017, upon the listing of the Company on Catalist. The details of the Shareholders' Mandate are set out from page 169 to page 177.

Name of Interested Person	Aggregate value of all interested person transactions (including transactions of less than S$100,000 each) during FY2017 under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules (S$'000)
Sale of diesel at the fuel station to Sembas and Summit Gas Systems Pte. Ltd.	103
Provision of IT Infrastructure services to Sembas	184
Sale of diesel in bulk to Sembas	677
Purchase of health products from Health Domain Pte. Ltd.	24
Purchase of electricity from Union Power Pte. Ltd.	134

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) in accordance with Rule 720(1) of the Catalist Rules.

15. Use of Proceeds

The Company raised gross proceeds from the IPO of approximately S$7.50 million (the "**Gross Proceeds**"). As at the date of this announcement, the Gross Proceeds have been utilised as follows:

Purpose	Allocation of Gross Proceed (as disclosed in the Offer Document) (S$'000)	Gross Proceed utilised as at the date of this announcement (S$'000)	Balance of Gross Proceed as at the date of this announcement (S$'000)
Acquisition of dealers for our Retail LPG Business	4,000	–	4,000
Diversification into the supply and retail of piped natural gas to customers in the services and manufacturing industries in Singapore	1,000	–	1,000
General working capital	724	–	724
Listing expenses	1,776	1,633	143
	7,500	1,633	5,867

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating 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.

	Retail LPG $'000	Retail station $'000	Corporate $'000	Total $'000
Group 2017				
External revenue	23,341	15,845	–	39,186
Segment results				
Finance costs	(9)	(26)	–	(35)
Profit/(loss) before income tax	5,076	492	(1,346)	4,222
Income tax expense	(762)	15	–	(747)
Profit, net of tax	4,314	507	(1,346)	3,475
Segment assets	9,785	12,794	4,875	27,454
Segment liabilities	4,781	2,596	248	7,625
Other segment information:				
Capital expenditure	(2,122)	(467)	–	(2,589)
Depreciation expense	(838)	(1,129)	–	(1,967)
Impairment losses	(23)	(58)	–	(81)
Group 2016				
External revenue	21,244	14,481	–	35,725
Segment results				
Finance costs	(42)	–	–	(42)
Profit/(loss) before income tax	2,357	2,403	(12)	4,748
Income tax expense	(345)	(443)	–	(788)
Profit/(loss), net of tax	2,012	1,960	(12)	3,960
Segment assets	6,221	13,765	128	20,114
Segment liabilities	5,672	4,218	939	10,829
Other segment information:				
Capital expenditure	(4,397)	(1,422)	–	(5,819)
Depreciation expense	(148)	(948)	–	(1,096)
Impairment losses	(5)	(8)	–	(13)

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section 8 of this announcement for the review of the performance of the Group.

18. A breakdown of sales as follows:

	Group		
	Financial Year Ended 31 December		
	2017	2016	Increase/ (decrease)
	S$'000	S$'000	%
(a) Sales reported for first half year	19,761	17,548	12.6
(b) Operating profit after tax before deducting minority interests reported for first half year	1,477	2,346	(37.0)
(a) Sales reported for second half year	19,425	18,177	6.9
(b) Operating profit after tax before deducting minority interests reported for second half year	1,998	1,614	23.8

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Financial Year Ended 31 December	
	2017	2016
	S$'000	S$'000
Ordinary	2,000	–
Preference	–	–
Total	2,000	–

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that during FY2017 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Alexis Teo Soak Theng
Executive Director and Chief Executive Officer
27 February 2018