

AP OIL INTERNATIONAL LIMITED
Registration No. 197502257M
(Incorporated in Singapore)

AP OIL PTE LTD AWARDS CONTRACT FOR CONSTRUCTION OF OFFICE BUILDING AT 18 PIONEER SECTOR 1, JURONG, SINGAPORE 628428

The Board of Directors (“**Directors**”) of AP Oil International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that its wholly-owned subsidiary, AP Oil Pte Ltd (“AP OPL”), after a tender process, has awarded the contract to Ping Tan Construction Pte Ltd for construction of the office building at 18 Pioneer Sector 1, Jurong, Singapore 62848. The contract is valued at S\$8.7 million, and construction is scheduled to be completed by 2nd Quarter 2019. APOPL will be inviting tenders for the tank and piping installation, and jetty construction projects, and the construction scheduled for completion in 2nd Quarter 2019. These projects shall be hereinafter referred to as “18 Pioneer Projects”.

With the strong business and volume growth recorded by the Group in financial year 2017, the 18 Pioneer Projects is necessary for facilities upgrade and replacement to prepare for the expansion in the trading and manufacturing volume. As the Group seeks new customer account, the additional production and storage capacity after project completion will be timely to support the new customer account closure.

In addition, the 18 Pioneer Projects are in connection with the terms of the conditional offer made by JTC Corporation, in respect of the lease extension for the premise at 18 Pioneer Sector 1 Singapore 628428, for a further term of 20 years from 1 January 2024. The key term of the conditional offer, includes among other conditions, an aggregate investment in plant and machinery and building & civil works at the premise of up to S\$10.6 million.

The Company intends to fund the 18 Pioneer Projects through bank borrowings and internal resources. The above transaction is not expected to have any material impact on the net tangible assets per share or the earnings per share of the Company for the current financial year ending 31 December 2018.

Save through their shareholding (if any) in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the transaction.

By Order of the Board

Ho Chee Hon
Group Chief Executive Officer
4 June 2018