UNION GAS HOLDINGS LIMITED

(Company Registration No. 201626970Z)

UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 the six months ended 30 June 2018 ("**HY2018**") and comparative results for the six months ended 30 June 2017 ("**HY2017**") have been prepared using the pooling of interest method, and the combined financial statements are presented as if the business has always been combined 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		
	Six months ended		
	30 June 2018	30 June 2017	Increase/ (decrease)
	S$'000	S$'000	%
Revenue	23,953	19,761	21.2
Cost of sales	(15,106)	(13,263)	13.9
Gross profit	8,847	6,498	36.1
Other gains	–	63	n.m.(1)
Other income	655	281	133.1
Marketing and distribution costs	(3,856)	(3,458)	11.5
Administrative expenses	(1,756)	(1,547)	13.5
Finance costs	(25)	(18)	38.9
Other losses	(48)	(50)	(4.0)
Profit before income tax	**3,817**	**1,769**	**115.8**
Income tax expenses	(511)	(292)	75.0
Profit, net of tax and total comprehensive income for the year	**3,306**	**1,477**	**123.8**

Notes:

(1) n.m. denotes not meaningful

1**(a)(ii) Notes to the Statement of Comprehensive Income**

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

	Group		
	Six months ended		
	30 June 2018	30 June 2017	Increase/ (decrease)
	S$'000	S$'000	%
Depreciation expense	(870)	(944)	(7.8)
Allowance for impairment of trade and other receivables	(28)	(44)	(36.4)
Amortisation	(137)	–	n.m.(1)
Bad debts written-off	(1)	–	n.m.(1)
Foreign exchange gain	– (2)	3	n.m.(1)
(Loss)/gain on disposal of plant and equipment	(19)	60	n.m.(1)
Rental income	132	191	(30.9)
Other income	523	90	481.1
Interest expenses	(25)	(18)	38.9
Listing expenses	–	(847)	n.m.(1)

Notes:

(1) n.m. denotes not meaningful

(2) denotes less than $1,000

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	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	11,123	9,445	–	–
Intangible assets	5,312	–	–	–
Investment in subsidiaries	–	–	20,000	10,800
Total non-current assets	16,435	9,445	20,000	10,800
Current assets				
Inventories	252	319	–	–
Trade and other receivables	2,142	1,447	2,684	4,103
Other assets	417	145	17	22
Cash and cash equivalents	16,177	16,098	4,398	4,835
Total current assets	18,988	18,009	7,099	8,960
Total assets	**35,423**	**27,454**	**27,099**	**19,760**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	24,709	17,069	24,709	17,069
Retained earnings	5,866	4,560	651	2,443
Capital reserve	3,318	–	–	–
Merger reserve	(11,000)	(1,800)	–	–
Total equity	22,893	19,829	25,360	19,512
Non-current liabilities				
Deferred tax liabilities	656	656	–	–
Other financial liabilities	1,001	287	–	–
Provisions	300	300	–	–
Total non-current liabilities	1,957	1,243	–	–
Current liabilities			–	
Income tax payable	852	655	–	–
Trade and other payables	8,865	5,005	1,739	248
Other financial liabilities	856	722	–	–
Total current liabilities	10,573	6,382	1,739	248
Total liabilities	12,530	7,625	1,739	248
Total equity and liabilities	**35,423**	**27,454**	**27,099**	**19,760**

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 30 June 2018		As at 31 December 2017	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amount repayable in one year or less, or on demand	856	–	722	–
Amount repayable after one year	1,001	–	287	–

Details of collaterals

As at 30 June 2018, secured borrowing comprised:

1. Term Loan of S$212,000 (31 December 2017: S$528,000) which is secured by:
   (i) corporate guarantee from the Company;
   (ii) first legal mortgage over the leasehold property of the Group; and
   (iii) joint and several guarantees from the controlling shareholder and a director of the Company.

2. Finance Leases of S$1,645,000 (31 December 2017: S$481,000) 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	
	Six months	
	30 June 2018	30 June 2017
	S$'000	S$'000
Cash flows from operating activities		
Profit before income tax	3,817	1,769
Adjustments for:		
Interest income	(67)	–
Interest expense	25	18
Amortisation of intangible assets	137	–
Depreciation of property, plant and equipment	870	944
Gain on disposal of property, plant and equipment	19	(60)
Operating cash flows before changes in working capital	4,801	2,671
Inventories	113	(37)
Trade and other receivables	(625)	331
Other assets	(174)	(152)
Trade and other payables	2,093	(3,872)
Net cash flows from/(used in) operations	6,208	(1,059)
Income tax paid	(315)	(285)
Net cash flows from/(used in) operating activities	5,893	(1,344)
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(1,840)	–
Purchase of property, plant and equipment	(513)	(1,859)
Proceeds from disposal of property, plant and equipment	–	360
Acquisitions of intangible assets	(979)	–
Other receivables from related party	–	7,926
Interest received	67	–
Net cash flows (used in)/from investing activities	(3,265)	6,427
Cash flows from financing activities		
Dividend paid	(2,000)	–
Repayment of other financial liabilities	(524)	(338)
Interest paid	(25)	(18)
Net cash flows used in financing activities	(2,549)	(356)
Net increase in cash and cash equivalents	**79**	**4,727**
Cash and cash equivalents, statement of cash flows, beginning	16,098	1,149
Cash and cash equivalents, statement of cash flows, ending balance	**16,177**	**5,876**

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 S$'000	Retained earnings S$'000	Capital reserve S$'000	Merger reserve S$'000	Total equity S$'000
At 1 January 2018	17,069	4,560	–	(1,800)	19,829
Total comprehensive income for the period	–	3,306	–	–	3,306
Acquisition of subsidiary (note 1(d)(ii))	6,440	–	3,318	(9,200)	558
Acquisition of assets (note 1(d)(ii))	1,200	–	–	–	1,200
Dividends paid	–	(2,000)	–	–	(2,000)
At 30 June 2018	24,709	5,866	3,318	(11,000)	22,893
At 1 January 2017	10,000	1,085	–	(1,800)	9,285
Total comprehensive income for the period	–	1,477	–	–	1,477
At 30 June 2017	10,000	2,562	–	(1,800)	10,762

The Company	Share capital S$'000	Retained earnings S$'000	Total equity S$'000
At 1 January 2018	17,069	2,443	19,512
Total comprehensive income for the period	–	208	208
Acquisition of subsidiary (note 1(d)(ii))	6,440	–	6,440
Acquisition of assets (note 1(d)(ii))	1,200	–	1,200
Dividends paid	–	(2,000)	(2,000)
At 30 June 2018	24,709	651	25,360
At 1 January 2017	– (1)	(12)	(12)
Total comprehensive loss for the period	–	(900)	(900)
Issue of new shares	10,000	–	10,000
At 30 June 2017	10,000	(912)	9,088

Note:
(1) Paid up share capital of $2.

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 1 January 2018	200,000,000	17,069,477
Share issued for acquisition of subsidiary (1)	24,329,430	6,440,000
Share issued for acquisition of assets (2)	4,533,434	1,200,000
Issued and paid-up share capital as at 30 June 2018	228,862,864	24,709,477

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 June 2018.

Notes:

(1) On 31 May 2018, the Company completed the acquisition of subsidiary, U-Gas Pte. Ltd. ("**U-Gas**"), from Union Energy Corporation Pte. Ltd**.** ("**UEC**") whereby, inter alia, 24,329,430 ordinary shares were issued as part of the total consideration.

(2) On 10 May 2018, the Company completed the acquisition of assets from Semgas Supply Pte. Ltd. ("**Semgas**") whereby, inter alia, 4,533,434 ordinary shares were issued as part of the total consideration.

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	
	30/06/2018	31/12/2017
Total number of issued shares excluding treasury shares	228,862,864	200,000,000

There were no treasury shares as at 30 June 2018 and 31 December 2017.

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 30 June 2018 and 31 December 2017.

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 30 June 2018 and 31 December 2017.

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 period ended 30 June 2018 as compared to its audited financial statements for the financial year ended 31 December 2017.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related interpretations to SFRS(I) that are relevant to our Group and effective for the financial period beginning on or after 1 January 2018. The adoption of these framework 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 periods.

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	
	Six months ended	
	30/06/2018	30/06/2017
Profit, net of tax (S$'000)	3,306	1,477
Weighted average number of ordinary shares ('000) (1)	205,031	170,000
EPS – Based on the weighted average number of ordinary shares in issue (cents)	1.61	0.87
EPS – On a fully diluted basis (cents)	1.61	0.87

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 six months ended 30 June 2017.

7 Net assets 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	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Net assets value per ordinary share (cents)	10.00	9.90	11.08	9.76
Number of ordinary shares used in computation of net asset value per ordinary share ('000)	228,863	200,000	228,863	200,000

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$4.19 million or 21.2% from S$19.76 million in HY2017 to S$23.95 million in HY2018, mainly due to (i) increase in revenue from the retail of bottled liquefied petroleum gas ("**LPG**") cylinders and LPG-related accessories to mainly domestic households in Singapore ("**Retail LPG Business**"); (ii) increase in revenue from 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 (iii) revenue contribution from sales of commercial LPG supply to Hawker Centres ("**Commercial LPG Business**") arising from acquisition of U-Gas on 31 May 2018. This was partially offset by a decrease in sales of compressed natural gas ("**CNG**") primarily to natural gas vehicles ("**NGVs**").

LPG Business

a) Retail LPG Business

The revenue from our Retail LPG Business increased by approximately S$1.71 million or 14.7% from S$11.64 million in HY2017 to S$13.35 million in HY2018. The increase was mainly due to the increases in: (i) the average selling price of our bottled LPG cylinder by approximately 6.8% in HY2018 compared to HY2017 in line with an increase in Saudi Aramco Contract Prices[1]; and (ii) sales volume by approximately 6.3% from approximately 4.74 million kg in HY2017 to 5.04 million kg in HY2018 mainly due to acquisition of assets from Semgas.

b) Commercial LPG Business

The revenue contributed by our new segment, Commercial LPG Business, arising from acquisition of U-Gas on 31 May 2018 was approximately S$0.74 million and the sales volume was approximately 0.37 million kg in HY2018

CNG Business

The revenue from our CNG Business decreased by approximately S$2.62 million or 71.0% from S$3.69 million in HY2017 to S$1.07 million in HY2018. The decrease is mainly due to a decrease in our sales volume by approximately 78.3% from approximately 2.90 million kg in HY2017 to 0.63 million kg in HY2018 as a result of decrease in the number of natural gas vehicle, a vehicle that operates on CNG, or CNG and petrol, in Singapore. This was partially offset by increase in average selling price of our CNG by approximately 32.3% in HY2018 compared to HY2017 due to increase in our cost of purchase of natural gas arising from increase in High Sulfur Fuel Oil prices.

[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.

Diesel Business

The revenue from our Diesel Business increased by approximately S$4.36 million or 98.4% from S$4.43 million in HY2017 to S$8.79 million in HY2018. The increase was mainly due to increases in: (i) the average selling price of our cost of diesel arising from increase in international oil prices; and (ii) sales volume by approximately 45.3% from approximately 5.85 million litres in HY2017 to 8.50 million litres in HY2018 as a result of increase in sales of diesel to our commercial customers.

Cost of sales

Our cost of sales increased by approximately S$1.85 million or 14.0% from S$13.26 million in HY2017 to S$15.11 million in HY2018. This was mainly due to:

(i) increase in direct material costs by approximately S$2.54 million arising from increases in the average cost of purchase of (a) natural gas by approximately 20.0% in HY2018 compared to HY2017; and (b) diesel by approximately 38.1% in HY2018 compared to HY2017 and higher volume of diesel purchased. This was partially offset by the decreases in (a) average cost of bottled LPG cylinder by approximately 44.0% in HY2018 compared to HY2017; and (b) volume of natural gas by approximately 78.3% in HY2018 compared to HY2017; and

(ii) decrease in overhead costs by approximately S$0.70 million or 38.7% from S$1.81 million in HY2017 to S$1.11 million in HY2018 mainly due to the decrease in (a) custom and excise duty by approximately S$0.45 million as a result of the decrease in CNG sales volume; (b) utilities by approximately S$0.09 million; and (c) depreciation by approximately S$0.22 million as CNG equipment was fully depreciated by December 2017. This was partially offset by an increase in amortisation by approximately S$0.14 million arising from acquisition of assets and subsidiary which was completed in May 2018.

Gross profit

Our gross profit increased by approximately S$2.35 million or 36.2% from S$6.50 million in HY2017 to S$8.85 million in HY2018 due to increase in revenue and our gross profit margin increased from approximately 32.9% in HY2017 to approximately 36.9% in HY2018.

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

Other gains

In HY2017, there was an other gain of approximately S$0.06 million relating to gain on disposal of motor vehicles, which was non-recurrent in HY2018.

Other income

Our other income increased by approximately S$0.38 million or 135.7% from S$0.28 million in HY2017 to S$0.66 million in HY2018. The increase in other income was mainly due to: (i) government grant income of approximately of S$0.06 million; and (ii) provision of IT infrastructure services of approximately of S$0.09 million to Sembas (Asia) Trading Pte. Ltd. ("**Sembas**") which commenced in May 2017.

Marketing and distribution costs

Our marketing and distribution costs increased by approximately S$0.40 million or 11.6%, from S$3.46 million in HY2017 to S$3.86 million in HY2018. The increase was mainly due to increase in (i) depreciation of motor vehicles of S$0.06 million as a result of purchase of motor vehicles; (ii) delivery charges of S$0.19 million arising from increase in sales volume of Retail and Commercial LPG Business; and (iii) call centre charges by approximately S$0.11 million. This was partially offset by the decrease in rental expense of motor vehicle of S$0.05 million as we purchase our own motor vehicles.

Administrative expenses

Our administrative expenses increased by approximately S$0.21 million or 13.5% from S$1.55 million in HY2017 to S$1.76 million in HY2018. The increase was mainly due to the increase in: (i) employee compensation of S$0.19 million arising mainly from additional headcount and salaries increment; (ii) legal and professional fees of S$0.28 due to acquisition of both intangible assets and subsidiary; (iii) repair and maintenance of S$0.12 million; (iv) depreciation of plant and equipment of S$0.08 million mainly arising from acquisition of IT Infrastructure and related equipment from Sembas in April 2017 and office renovation in HY2018; and (iv) director fees of approximately S$0.07 million. This was partially offset by the absence of the listing expenses of S$0.85 million incurred in HY2017 pursuant to the IPO.

Finance costs

Our finance costs increased by approximately S$7,000 or 38.9% from S$18,000 in HY2017 to S$25,000 in HY2018, mainly due to a increase in purchases of motor vehicles under hire purchase.

Other losses

Our other losses decreased by approximately S$2,000 or 4.0% from a loss of approximately S$50,000 in HY2017 to a loss of approximately S$48,000 in HY2018 mainly due to decrease in allowance for impairment of trade receivables and bad debts written off from our Diesel Business and partially offset by write-off of renovation of Genting Road arising from the shifting of our office premise to 3 Lorong Bakar Batu in HY2018.

Income tax expense

Our income tax expense increased by approximately S$0.22 million or 75.9% from S$0.29 million in HY2017 to S$0.51 million in HY2018 mainly due to the higher profit before income tax achieved and the cessation of tax credits under the productivity and innovation credit scheme by IRAS.

Profit, net of tax

As a result of the above, our profit after tax increased by approximately S$1.83 million or 123.6% from S$1.48 million in HY2017 to S$3.31 million in HY2018.

Review of Group's Financial Position

Non-current assets

Non-current assets increased by approximately S$6.99 million or 74.0% from S$9.44 million as at 31 December 2017 to S$16.43 million as at 30 June 2018. The increase was mainly due to increase in: (i) intangible assets of S$5.31 million arising from both acquisitions of assets from Semgas. and U-Gas. The intangible assets arose from the acquisition of U-Gas which relates to certain deferred customer retention costs, and the acquisition of assets from Semgas which relates to non-contractual domestic customer relationships; (ii) purchase of plant and equipment and motor vehicles from third party of S$1.88 million; and (iii) LPG equipment and motor vehicles of S$0.68 million arising from acquisition of U-Gas.

This was partially offset by the depreciation and amortisation expense for the period.

Current assets

Current assets increased by approximately S$0.98 million or 5.4% from S$18.01 million as at 31 December 2017 to S$18.99 million as at 30 June 2018. This was mainly due to increase in: (i) trade and other receivables by approximately S$0.69 million in line with increases in revenue and outstanding from commercial segment; (ii) other assets which relate to prepayment of motor vehicles insurance and road tax expenses by approximately S$0.28 million which is in line with increase in purchase of new motor vehicles; and (iii) cash and cash equivalents by S$0.08 million. This was partially offset by decrease in inventories of S$0.07 million.

Current liabilities

Current liabilities increased by approximately S$4.19 million or 65.7% from S$6.38 million as at 31 December 2017 to S$10.57 million as at 30 June 2018.

Trade and other payables increased by approximately S$3.86 million due to increase in: (i) trade payables by approximately S$1.44 million in line with increase in revenue; (ii) deposit of cylinders received from customers by S$0.67 million mainly arising from acquisition of U-Gas; and (iii) accrued expenses related to second tranches payment of acquisition of assets from Semgas and acquisition of U-Gas amounting to S$1.28 million.

Increase of other financial liabilities by approximately S$0.14 million due to new hire purchase loans arising from purchase of motor vehicles.

Income tax payable increase by approximately S$0.19 million in line with increased profit before tax.

Non-current liabilities

Other financial liabilities increase by approximately S$0.72 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$3.06 million or 15.4% from S$19.83 million as at 31 December 2017 to S$22.89 million as at 30 June 2018 was mainly due to net profit generated in HY2018 of approximately S$3.31 million and new shares issued pursuant to acquisitions of assets and subsidiary of S$7.64 million. This was partially offset by dividends paid to shareholders of S$2.00 million and capital reserve of S$5.88 arising from acquisition of subsidiary.

Review of Group's Cash Flows

In HY2018, our net cash flow generated from operating activities amounted to S$5.89 million. We generated operating cash flow before changes of working capital of S$4.80 million and capital outflows of S$1.40 million which was partially offset by taxes paid of S$0.31 million. The net working capital inflow was mainly due to increase in trade and other payables of approximately S$2.09 million and partially offset by increase in trade and other receivables of S$0.63 million and other assets of S$0.17 million.

Net cash flows used in investing activities amounted to approximately S$3.27 million mainly due to acquisition of U-Gas of S$1.84 million and payment for intangible assets of S$0.98 million.

Net cash flows used in financing activities amounted to S$2.55 million in HY2018 due to: (i) payment of first and final dividend for FY2017 of S$2.00 million; (ii) repayment of bank borrowing of S$0.52 million, and (iii) interest payment of S$0.03 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 HY2018 is generally in line with what was disclosed in the financial statement for the financial year ended 31 December 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.

Our Group announced the completion of the Assets Acquisition and U-Gas acquisition on 10 May 2018 and 31 May 2018 respectively, as well as the acquisition of dealers for the Retail LPG Business on 29 June 2018. Our Group expects these acquisitions to contribute to our financial performance for FY2018.

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

Our Group will continue to explore opportunities to expand our business through acquisitions that we believe will complement our current and future businesses.

11. Dividend

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

None.

(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.

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2018.

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.

Our Group has a general mandate for IPTs ("**Shareholders' Mandate**") set out in the following table, which has been renewed and approved during Annual General Meeting and Extraordinary General Meeting on 23 April 2018.

Name of Interested Person	Aggregate value of all interest person transactions (including transaction of less than S$100,000 each) during HY2018 under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules (S$'000)
Sale of diesel at the fuel station to Sembas and Summit Gas Systems Pte. Ltd.	27
Provision of IT Infrastructure services to Sembas	138
Sale of diesel in bulk to Sembas	571
Purchase of health products from Health Domain Pte. Ltd.	2
Purchase of electricity from Union Power Pte. Ltd.	48
Provision of maintenance and support services by Sembas to U-Gas	35

14. Negative confirmation pursuant to Rule 705(5)

We confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of our Group for the six months ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board

Teo Soak Theng Alexis	Loo Hock Leong
Executive Director and Chief Executive Officer	Lead Independent Director

15. 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) under Rules 720(1) of the Catalist Rules.

16. Use of Proceeds

The Company raised gross proceeds from the IPO of approximately S$7.50 million (the "Gross Proceeds"). On 3 August 2018, the Company had announced, *inter alia*, an update and re-allocation of its uses of Gross Proceeds ("**Re-allocation**"). As at the date of this announcement, the Gross Proceeds following the Re-Allocation, have been utilized as follows:

Use of Proceeds	**Allocation of Proceeds as re-allocated on 3 August (S$'000)**	**Proceeds utilised as at 3 August 2018 (S$'000)**	**Proceeds utilised from 3 August 2018 to 13 August 2018 (S$'000)**	**Balance of Proceeds as at 13 August 2018 (S$'000)**
Acquisition of dealers for the Retail LPG Business	4,143	2,068	-	2,075
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	1,633	1,633	-	-
	7,500	3,701	-	3,799

The above uses of Gross Proceeds are in accordance with the intended uses as stated in the Company's offer document dated 13 July 2017 and the Re-Allocation.

BY ORDER OF THE BOARD

Alexis Teo Soak Theng
Executive Director and Chief Executive Officer
13 August 2018