We believe in providing safe and environmentally-friendly energy to establish an internationally renowned enterprise and build an integrated energy brand for a world of sustainable energy.

**Corporate Vision**
- Be a leading, green and environment-friendly energy enterprise in China.

**Our Mission**
- Dedicating to clean energy, making environment-friendly products, leading green development and creating a better life.

The strong emphasis on product quality, safety, embedded technologies and environmental practices has cemented our distinguished reputation and contributed to a strong customer base. The core values of the business are to seize opportunities which are before us, earn and maintain the trust of our clients, establish a high-value market position, innovate and achieve sustainable development.
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About This Report

Ouhua Energy Holdings Limited (“Ouhua” or the “Group”) is pleased to present its first standalone Sustainability Report covering its sustainability efforts in the financial year ended 31 December 2017 (“FY 2017”). The Report covered the Group’s strategy, initiatives and performances in relation to Economic, Environmental and Social.

Reporting Scope and Period

The Sustainability Report was prepared based on Ouhua’s financial year from 1 January 2017 to 31 December 2017, it also covers sustainability performance for our wholly-owned subsidiary in China, namely Chaozhou Ouhua Energy Co., Ltd, where the main operation locates at. The Group wishes to share its sustainability commitment with its various stakeholders, including employees, investors, customers, business partners, suppliers, the community and government.

To re-affirm our commitment towards sustainability, we will be publishing our report in May on an annual basis from financial year 2018 onwards.

Reporting Process

A Sustainability Reporting Committee (“SR Committee”) was set up by the Group to uphold the stakeholders’ interests. The SR Committee comprises representatives from different business units to initiate, drive, and monitor various aspects of our sustainability practices, ensuring that these are integrated into our business operations and complement corporate objectives.

In each reporting cycle, the SR Committee reviews the content of the report to ensure that the current and emerging material issues of significance pertaining to sustainability and the interests of our stakeholders are well addressed.

GRI Guidelines

This Report has been prepared in accordance with the core option of the Global Reporting Initiative (“GRI”) Standards. GRI is the most widely adopted global standards for Sustainability Reporting and it provides businesses and organisations worldwide a framework to measure, understand and communicate their critical sustainability issues on environmental, economic, social performance ability issues to stakeholders.

Feedback

We value feedback from our stakeholders as it allows us to continually improve our sustainability policies, processes and performance. Kindly address all feedback to the Security and Fund Department at sr@ohwa.cn. Your feedback and suggestions are important to us and will be considered as part of our on-going initiatives to improve on our future reporting.

No hard copies of this report have been printed as part of our efforts to promote environmental conservation. You may visit SGX website or our company website www.ohwa.cn/sustainability for our Sustainability Report.
Statement from the Executive Chairman

Dear Stakeholders,

It is my honour to present our first Sustainability Report for year ended 31 December 2017. With 18 years of establishment, corporate social responsibility is always embedded in our business philosophy and operation strategy. At all times, we strive our best to make commitment to ethical, safe and sustainable value creation for our shareholders, lenders, customers, employees and other stakeholders, and applies this philosophy when considering our impact on the local communities in which we operate.

Guided by our Vision, Mission and Core Values, Ouhua’s people are always keeping in mind of our Motto – “BLUE”.

Brighter

Knowing LPG is cleaning burning and has lower greenhouse gas emissions than any other foil fuels, Ouhua still strives to leave the communities in which we operate free from negative impact of our operations through organisational and individual commitment, we seek to ensure zero harm to people, the environment and the ecosystem.

Beyond avoiding destructive impact on the environment, we invest in analysis and implement energy efficient solutions to avoid waste and participate assessment of effective energy management which involves both internal and external benchmarking to assist us to continually strive for leadership in efficient usage of energy.

Labour

We recognise that our staff is an important resource and thus we aim to equip our staff with the most relevant skills and knowledge. We have implemented various training policies and organised training programmes aimed specifically at improving the skill sets of our employees and to increase the competitiveness, productivity and efficiency of our Group.

Safety is at the top priority and we strive for zero harm. We ensure that the sanctity of life takes precedence over all other considerations. Safety of our people will always be the top priority in any decision. We actively promote health and safety consciousness through awareness training and high visibility of health and safety as a business priority.

Ultra-pure

At Ouhua, we believe in acting for the future. We go beyond compliance and ensure that we use resources efficiently, mitigate environmental risks as much as possible in our operations and lower low carbon emissions. Ouhua is committed to maintaining and operating our facilities to the highest possible standards and has invested in technology to help reduce our environmental footprint.

We have in place stringent quality procedures and the capabilities to customise our products to meet our customers’ various specifications (such as temperature and composition). Our quality controls seek to ensure that the quality of our products and services meet the expectations of our customers.
Expediently

We believe that it is essential that we continue to enhance our production facility and improve the productivity and efficiency of our production process to enhance our competitiveness and give us an edge over our competitors. In our production facility, we have a 50,000 tonne port terminal and a 2,000 tonne port terminal, which allows us to berth large LPG ship tankers of up to 50,000 tonnes. As at the latest practicable date, we had refrigerated and high-pressure storage tanks with a combined LPG storage capacity of 124,000 cbm and an annual designed production capacity of 900,000 tonnes.

Utilizing the network information technology, the Company is building up a competitive network of sales and marketing channel to provide green energy and high-quality services to the domestic and South East Asian countries with more than 200 secondary and tertiary LPG dealers. In addition, we are able to deliver our products directly to our customers, especially those customers without logistics functions, either by land or sea transportation.

Future Prospect

During the 13th Five-Year Plan (中国“十三五”计划) period, the proportion of non-fossil energy consumption increased to more than 15%, while the proportion of coal consumption decreased to less than 58%. According to the relevant planning indicators, the increment of non-fossil energy and natural gas consumption is more than three times that of coal. It can be easily derived that clean low carbon energy will be the main body of the increment of energy supply during the "13th Five-Year" period.

In addition, following the Chinese premier’s pledge at the National People’s Congress to “make our sky blue again”, 2018 will feature a greater level of government environmental regulation. The Chinese Government’s Air Pollution Prevention and Control Action Plan, which is being stepped up, encourages the use of gas for heating instead of burning coal and is likely to spur on LPG demand.

Another measure, the Environmental Protection Tax Law, went into effect in January 2018 and is likely to increase the levies that many polluting companies have to pay, based on their volume of pollution. With the greater promotion of cleaner energy sources, we expect the tightening of environmental regulations to generally be favourable to the performance of the Group in FY2018.

Acknowledgement

On behalf of the Group and Sustainability Reporting Committee, I would like to express my sincere appreciation for Ouhua’s customers, suppliers and other business partners for their relentless support over the years. I am also extremely grateful to our invaluable staff for another year of hard work. Last but certainly not least, I would like to thank our shareholders for their continued faith and unwavering support in our continuing journey to grow from strength to strength.
2 Business Philosophy

The SR Committee strongly believes in creating a sustainable business strategy compatible with its growth. The SR Committee is aware of the importance of corporate social responsibility and the impact of its operations on the environment. Therefore, the Group has continuously sought to minimise the impact of its activities through water, electricity and energy conservation. The Committee encourages the Group’s employees to recycle resources and materials across its operations. In addition, the Committee emphasises the need to provide and maintain a safe and healthy work environment for the employees. Our employees are further required to observe the Group’s internal safety rules and regulations which are communicated to them regularly.
3 Overview of the Group

Ouhua Energy Holdings Limited is one of the leading importers of liquefied petroleum gas ("LPG") in the People’s Republic of China ("PRC") in terms of quantity. The main operation location is strategically based in Chaohou City, Guangdong Province, the “Ceramics Capital” of the PRC that production of ceramics relies heavily on LPG.

Ouhua is equipped with a comprehensive suite of production facilities, including over 100,000 cubic metres of LPG storage facilities, and a current annual LPG production capacity of 900,000 tonnes. These facilities are well-located in a prime waterfront area supported by wharves that enable the Group to serve diverse markets beyond a geographical radius of 500 kilometres by land and 300 kilometres across the sea.

As a licensed tier-one LPG distributor, the Group is focusing its efforts on developing the LPG retail chain, including the construction of urban gas pipeline system. Moving towards a green, low-carbon emission economy environment, LPG is a clean energy and can be widely used in commercial vehicles. The Group is also committed to exploring the market in LPG-filling gas stations and the production of dimethyl ether ("DME"), to further integrate advanced technology into its operations and extend the product chain which utilises the same raw materials to ensure that it retains a competitive position in imports.

Our Structure
4 Strategic Plans

Fundamental Beliefs

The Committee recognises the importance of a sustainable business and the Group’s business strategy includes integrating and the needs of the society and the environment into its business goals. The SR Committee believes that to grow sustainably, the Group has to actively engage and deliver value to its stakeholders, from its employees to the community, and to be responsible stewards of its natural environment.

Commitment

Our commitment to sustainability stems from our sustainable management strategy of creating social, economic and environmental impact across our value chain. We strive for zero major accident and uphold safety to the highest priority within the organization.

We aim to be and remain as a recognized industry leader in safety. We always believe and promote that the sanctity of life takes precedence over all other considerations. We communicate safety concerns, actively share best practices and learn from near-miss incidents. With organizational and individual commitment to safety, we can better ensure zero harm to people, environment, committee and our ecosystem.

Empowering our People

With our people being a key driver of our growth, this means creating an impact on people both within and beyond our business. Within our business, we adopt good human resource policies and practices that promote equality and safety in our workplace. We also strive to promote individual accountability and teamwork, which is one of our core values. We are committed to creating a safe and conducive workplace for our people for them to perform optimally.

Beyond our business, we also strive to positively impact and contribute back to our community. Our Group proactively collaborates with organisations from regions of our operations to directly impact and interact with these communities at ground level. Our various initiatives aim to create social impact amongst less privileged communities and to empower and develop them.

Protecting our Environment

We also commit to sustainable practices to reduce our environmental footprint as we strive to make our operations more energy-efficient. As responsible stewards, we uphold our responsibility in preserving the environment and reducing negative impacts.

Over the years, we have streamlined our processes to increase energy-efficiency and reduce waste production. Managing our supply chain sustainably, we are selective of our suppliers and are have influenced many to endorse sustainable performance measures and practices in their business operations as well.

The Group continues to play its part in ensuring energy conservation in its facilities and offices by cutting down on their energy consumption, which have resulted in greater operational efficiency and reduced environmental impacts.
Supply Chain

We obtain our supply of raw materials (butane and propane), mainly from overseas suppliers. These raw materials are imported directly from the oil refineries in various countries such as Saudi Arabia and United States of America.

We select our suppliers based on their reputation, quality, shipping routes, price, their ability to supply large quantities of raw materials constantly and timely delivery of their products. To determine which supplier to purchase from for each shipment, we would take into consideration factors such as the price quoted by the supplier and its delivery schedule. As such, we do not enter into long-term written contracts with any supplier. Given our established relationships with our international suppliers, we do not foresee that we will face such difficulties in the future.

Goals and Achievements

The Group aims to continuously seek for business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we have also upheld a reputation for quality and high standards in our operations, as well as excellence in our operations management.

As a group, we have attained ISO 9001:2015 Certification – Quality Management Systems to uphold the quality of our production operations.
5 Sustainability Approach

Our Approach

Ouhua’s strategic approach has transformed across the years, from a classical economic-based strategy to a sustainability-oriented approach. This approach encompasses balancing holistic goals of economic, environmental and social perspectives with our commitment to actively engage stakeholders throughout the value-delivery process; our sustainability approach extends beyond meeting stakeholder requirements to enhancing stakeholder participation in our chain of sustainable value creation.

Recognising key challenges and risks involved in sustainable development under the backdrop of our competitive trading industry, we have established a SR Committee to balance our sustainable goals with our dedication to delivering quality performance to our stakeholders.

Committee Structure

The SR Committee is headed by the Executive Chairman, Mr Liang Guozhan, and formed by the top management across all the subsidiaries. The focus of the SR Committee lies in the areas of formulating, implementing and reviewing the Group’s sustainable policies and practices, sustainability development programs and initiatives. Periodical reviews are made to ensure the effective implementation and engagement of the Group as a whole and in-line with the Group’s strategic development.

<table>
<thead>
<tr>
<th>Sustainability Reporting Committee</th>
<th>SR Sponsor</th>
</tr>
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<tbody>
<tr>
<td>Chaohou Ouhua Energy Co., Ltd (PRC)</td>
<td>Mr Liang Guo Zhan, Executive Chairman</td>
</tr>
</tbody>
</table>
| Finance Department
  财务部 | Ms Li Xue Ying, CFO
  财务总监李雪英女士 |
| Procurement Department
  采购部 | Ms Lin Jin Jin, Marketing Director
  市场总监林津津女士 |
| Production Department
  生产部 | Mr Fang Shi Lai, Production Director
  生产总监方适来先生 |
| Sales Department
  销售部 | Ms Lin Jin Jin, Marketing Director
  市场总监林津津女士 |
| Safety and Security Department
  安保部 | Mr Lai Shu Dong, Safety and Security Director
  安保部总监赖树东先生 |
| Human Resource and Administration Department
  人事行政部 | Mr Cheng Wei Peng, HR and Admin Manager
  人事行政主任程伟鹏先生 |

<table>
<thead>
<tr>
<th>SR Champion</th>
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<tbody>
<tr>
<td>Mr Ye Tian Shun, Executive Director</td>
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</table>

执行董事叶添顺先生
SR Process Flow

- **Plan**
  - The external SR consultant proposed SR timeline
  - The Board of Directors endorsed the proposed SR timeline

- **Initiate**
  - The Group established an SR committee formed by the Executive Chairman and top management across all the subsidiaries

- **Identify**
  - The SR committee identifying material ESG factors with the facilitation of the external SR consultant

- **Collect**
  - The SR committee collected information on GRI general disclosure and data for material ESG factors with the facilitation of the external SR consultant

- **Draft**
  - The external SR consultant drafted the report according to GRI standards

- **Review**
  - The SR Committee reviewed the report
  - The Audit Committee reviewed the report
  - The Board of Directors reviewed the report
  - The external SR consultant revised the report based on feedback from the SR Committee, Audit Committee and Board of Directors

- **Approve**
  - The SR Committee endorsed the report
  - The Audit Committee endorsed the report
  - The Board of Directors endorsed the report

- **Publish**
  - The Group published the report on SGX net and the Group’s website
6 Identifying Material ESG Factors

A robust process was undertaken to identify and prioritise the Group’s material ESG issues.

The Group engaged a team of external sustainability consultants to assist the Group’s SR Committee in identifying and prioritizing issues that are most material and relevant to the Group and its stakeholders.

These issues are then linked to the overall strategy and risk management approach. The Environment, Social and Governance (“ESG”) Materiality Assessment was performed with the facilitation of the team of external consultants, where each ESG factor in the GRI ESG universe was thereafter ranked by the SR Committee members according to the influence on stakeholder decisions and significance of environmental and social impacts. Subsequently, a reporting plan on the identified GRI factors has been established based on the aggregated assessment results.

Materiality with respect to Sustainability Reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation’s significant economic, environmental, and social impacts; and may substantively influence the assessments and decisions of stakeholders.

The SR Committee has identified the following material ESG factors for FY 2017:

- GRI 401 - Employment
- GRI 403 - Occupational Health and Safety
- GRI 404 - Training and Education
7 Stakeholder Engagement

A great collaboration with stakeholders supports us in addressing sustainability challenges. We continue to promote ongoing communication and active engagement with our stakeholders. We incorporate their feedback into our planning and actions where appropriate and relevant to our businesses.

The feedback which arises from our stakeholder engagements has been input on our sustainability reporting and materiality, also helped us strengthen the relevance of our reporting and approach to managing Ouhua’s material issues.

In identifying the key groups of stakeholders including engagement with employees, customers, shareholders, governments and local communities, we assessed the level of significance of the stakeholders’ interests in sustainability issues, the potential impact and influence of these stakeholders on the Group’s businesses and operations.

The following five key stakeholder groups have been identified:

i. Our Employees
We recognise that our employees are fundamental to the company’s growth and operations. We are committed to developing them to increase their engagement and contribution to the company.

ii. Our Customers
We aspire to meet beyond our customer satisfaction, which reflects our sales and revenue. We aim to build on our brand equity to expand our market share, and continuously strive to understand our customers’ needs and expectations to build lasting relationships with our customers.

iii. Our Shareholders and Investors
We aim to build on strong fundamentals to deliver continued earnings growth and maximize shareholder return. We also strive to maintain good corporate governance and improve levels of transparency through financial and sustainability reporting and timely communication.

iv. Our Business Partners
We work closely with our business partners to ensure that all our operations are performed in line with our adopted sustainable practices and up to industry standards.

v. Our Community
We collaborate with our local community to provide a better job platform for our local talents, to maintain and boost our local economy and eventually we aim to create a better synergy for our society.
8 Financial Highlights

FY2017 saw the Group overcome persistent challenges arising from macroeconomic factors to deliver yet another year of profitability. Our total revenue for FY2017 rose by 21.1% to RMB 2.64 billion on the back of stronger prices for our LPG products. The volume of LPG sold for the year declined from 830,541 tonnes to 750,876 tonnes due to increased competition from alternative energy products. In addition, average LPG prices in 2017 were not as competitive as compared to that of natural gas, resulting in a drop in total volume sold. While we had successfully developed new long-term contracts with foreign customers in Southeast Asia, our results were offset by an increase in LPG average selling prices to RMB 3,527 per tonne.

For the financial year under review, the Group continued to carefully balance costs management with its pursuit to deliver value. Gross profit for FY2017 was RMB 113.65 million, RMB 42.83 million lower than the RMB 156.48 million reported in FY2016.
In line with the lower gross profit, our gross profit margin fell from 7.18% to 4.30% due to higher purchase costs in 2017, as well as higher competition in the international market as compared to the previous financial year.

![Profit Margins Chart]

Looking ahead, the economic climate for the financial year ended 31 December 2018 (“FY2018”) appears buoyant. Global economic growth is expected to accelerate to 3.9% in 2018, while China’s economic growth is projected to stay robust at 6.6% for 2018, albeit a reduced pace if compared to the 6.9% growth rate seen in 2017.

In the same vein, ratings company S&P Global Platts forecasted 7% growth for LPG demand in China, a growth rate 2% shy of the 9% growth achieved in the sector in 2017, but nevertheless still an opportune framework from which to mount renewed endeavours to capture greater growth.
Environment Management

Liquefied petroleum gas (LPG) is a clean-burning hydrocarbon gas in liquid form that may be propane or butane or a mixture of the two. It is produced as a by-product in oil refining and is also extracted from naturally-occurring sources.

LPG is a clean, versatile and cost-effective energy solution for industrial, commercial and residential.

**Clean**
LPG has low particle emissions, low NOx emissions and low sulphur content meaning that it does not pollute the air as much as many other energy sources.

**Available**
LPG is available energy source right now in quantities that can service the energy needs of millions of citizens across China and the world for number of years. Looking forward LPG will remain in abundance globally for the foreseeable future.
Secure
Due to its dual origins and the fact that it's easily transportable, LPG offers a secure alternative to other energy sources which are part of a grid system. If one source of LPG is unavailable, then it is always possible to supply it from another one.

Portable
LPG has a flexible and decentralized distribution network which can be used practically anywhere. From daily life of normal people to non-residential purpose to isolated territories - LPG can reach places other energies cannot.
Lower Carbon
LPG is a low carbon alternative to conventional fossil fuels. Its combustion emits 33% less carbon dioxide than coal and 15% less than heating oil. LPG also emits almost no black carbon, which scientists now believe is the second biggest contributor to climate change globally and is perhaps the single biggest cause of arctic warming.

Efficient
Gaseous fuels such as LPG offer inherently high efficiency, an advantage that has been greatly enhanced by the emergence of performance-optimising technology such as condensing boilers and renewable/LPG hybrid systems. In view of the environmental, economic, and strategic benefits associated with a reduction of energy demand, a switch to LPG from other, less efficient alternatives is a smart move for individual end-users and society.
10 Social Responsibility

Our Talent, our Future

Ouhua is committed to growing with our people and making the company a vibrant workplace. We provide our people with a work environment that supports professional and personal development, offers a variety of career opportunities and creates high performance and collaborative teams.

As of the end of year 2017, the company has a total of 117 employees which consists of 100 male staffs and 17 female staffs, due to the nature of business involving high level of physical work and comprehensive engineering knowledge, hence the gender is not well diversified for production department. At our administration department and head office, gender is well diversified and some females represent middle and top management positions. We value gender diversity and inclusion and are committed to the principle of equal employment opportunity.

[Graphs showing employee movement by gender, age, and geographic location]

Attracting Talents

We need to build a strong pipeline of technical specialists and leaders to support the Group’s sustainable growth. Hence, attracting and retaining talent is our priority and we create a conducive workplace environment where our people can develop at both professional and personal levels.
We hire people at two levels: experienced professionals and fresh graduates who are just entering the workforce. Across the Group, we leverage relationships with local and academic institutions, as well as social media platforms and career fairs to promote working for our company. Our employee turnover rate maintains at 12% and our new joiners’ rate is about 10% during the reporting period. The turnover rate and new joiners rate remain healthy and our key management team is very stable.

Health and Well Being

We understand the importance of meeting both work and family demands. Our employees are provided with a comprehensive range of benefits that may include paid vacation leave, medical benefits, group insurance plans and so on.

Below is the list of benefits we are providing to our staffs and the group reviews regularly to make it more competitive.

<table>
<thead>
<tr>
<th>Item</th>
<th>Benefits</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Medical, Disability and Life Insurance</td>
<td>All our employees are covered under an insurance for work-related injuries. This accords them with some financial protection in the event of incidents arising under working circumstances. Our life insurance also provides financial support and risk coverage to intermediate families in the event the employee suffers from critical illness or permanent disability.</td>
</tr>
<tr>
<td>2</td>
<td>Year-end and performance bonus</td>
<td>Employees are entitled to year-end and performance bonuses depending on the performance of the group and individual upon appraisal.</td>
</tr>
<tr>
<td>3</td>
<td>Paid annual leave</td>
<td>We recognize our employee for their long-term commitment and we offer them with paid annual leave up to 15 days.</td>
</tr>
<tr>
<td>4</td>
<td>Company retreat</td>
<td>Employees are provided an all-expense paid retreat organized by the company each year.</td>
</tr>
<tr>
<td>5</td>
<td>Annual appreciation events and festival celebrations</td>
<td>We organise company events annually to celebrate and recognise the efforts of our employees. Embracing diversity and to honour our rich heritage and culture, we celebrate important festivals as a company and often provide festival gifts to our employees. Festivals we celebrate include: Spring Festival, International Women’s Day, and also Mid-autumn Festival.</td>
</tr>
<tr>
<td>6</td>
<td>Accommodation and staff canteen</td>
<td>We provide free accommodation with a range of amenities and recreational facilities to our production staff and subsidise their daily meals.</td>
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</table>
Parental Leave

With the goal of revitalising population growth and with the formal phasing out of the four-decade old one-child policy in recent years, the Chinese government’s family planning policy has also shifted to one that is more pro-family. In support of the government’s pro-family legislations, the Group adopts welfare practices and strives to build a family-friendly workplace culture.

As part of the enhancements of the family planning policy, parental leave has been increased to 138 to 158 days of paid maternity leave for women and 15 to 30 days of paternity leave for men. The duration of parental leave differs from province to province.

During the reporting period, two male staff has enjoyed the benefit and taken paternity leaves.
Your Safety, My Priority

Ensuring the health and safety of our employees is our top priority. We strive to take care of our employees’ safety, work-life balance and mental health. The Group’s sustainable growth would not have been possible without our dedicated and healthy employees working in a safe environment.

Due to the nature of our business, we handle highly flammable and explosive materials. Hence, we place great emphasis on the importance of safety in the production process and within our production facility. Our safety control guidelines adhere closely to the PRC standards, laws and regulations laid out by the relevant government authority. In our production facility, we are equipped with sophisticated safety functions that will automatically cut-off relevant parts of the production process affected by industrial hazards in order to curb further spreading of the hazards to other areas of the production facility. To aid detection of any leakage, we add odorant to the LPG so that our personnel will be able to detect easily the smell of leaking LPG. We also have combustible gas detectors, ultraviolet flame detectors, smoke alarms, closed circuit monitors and emergency buttons installed in different areas of our production facility.
For the reporting period ended 2017, we did not experience any major accident which have resulted in serious injury or death.

Our fire safety department consists of more than 20 personnel and we are equipped with a wide range of fire-fighting facilities, including fire-fighting trucks, water cannons and dry-chemical extinguishers. We work very closely with the local fire bureau in the training of our fire safety personnel, we also take active part in the fire-fighting in the near proximity on a voluntary basis if we receive any emergency call from local fire station. Fire safety exercises are conducted at least twice a year in order to ensure readiness of our fire safety personnel in the event of industrial accidents.
Safety Committee

With our on-going focus on the health and safety of our employees, we have established a Safety Committee in each of our department to supervise and ensure that workplace health and safety regulations are strictly complied with. The Safety Committee also oversees the departments’ operations to ensure that safety standards are always upheld and up to industry best practices. In addition, the role of the Safety Committee includes reviewing, effectively implementing and reinforcing safety standards to ensure all areas of safety are adequately covered.

All near-miss incidents and accidents are promptly reported to the Safety Committee, which will further provide timely incident analysis briefings to the employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

Each year, site inspections and safety exercises are conducted to test and review our safety precautions and protocols, as well as to ensure that our employees are sufficiently equipped with the relevant Personal Protective Equipment (“PPE”). The Safety Committee also facilitates the safety education programs, which aim to educate and equip employees with safety knowledge and skills in handling emergency situations. Emergency drills are also conducted several times a year to ensure that employees and workers are prepared in times of emergency.

Collectively as a Group, the Safety Committee comprises of both employee and employer representatives and is represented by 20% of the total employees. The Safety Committee members meet at least once a month to review safety inspection results, infrastructures and incidents, as well as to coordinate and organise safety-related activities.
More Training, More Skillful

The Group believes in providing employees with the necessary training to ensure that they are equipped with the right skillset for proper job performance. We place great emphasis on improving and upgrading our employee’s technical knowledge and skills that are relevant to their department. As such, employee training is conducted based on the requirements for each department to increase their level of competency and expertise.

We conduct a staff orientation programme for our new employees, where they are required to undergo on-the-job-training to familiarise themselves with our working environment, corporate culture, history and strategy, product knowledge, rules and regulations and safety awareness and measures. Upon completion of their on-the-job-training, they will also be tested on their knowledge of their respective job positions and will only be confirmed in their respective jobs after they have passed their tests. Our Directors believe that the orientation and on-the-job-training help to integrate the new employees into our Group and improve their productivity level.

We also offer training programmes for staff at all levels. As and when deemed necessary, we would invite external professionals or instructors to conduct training programmes. Such programmes seek to raise the productivity of employees, improve leadership skills, impart safety knowledge and enhance management skills. As we place strong emphasis on safety, we have specific training programmes focusing on the safety awareness and measures, supply and storage of LPG, operation of storage tanks, marine safety measures and port security. In addition, we sponsor our senior management to attend courses such as Executive Master of Business Administration, product safety, management, and other special skills courses offered by government agencies and departments.
In FY2017, both male and female staffs took 26.5 hours of training on average. All non-managerial employees, including new joiners and existing staff, went through an average of 25 hours of training to enhance their professional skills in order to improve productivity and efficiency. Management staff had attended at least 35 hours of training to enhance their own skills so that they are able to support, develop and encourage our people in taking up more challenging jobs.

<table>
<thead>
<tr>
<th>Average training hours during the reporting period</th>
<th>Average training hours during the reporting period</th>
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<tbody>
<tr>
<td><img src="male.png" alt="Male" /> <img src="female.png" alt="Female" /></td>
<td><img src="management.png" alt="Management" /> <img src="non-management.png" alt="Non-Management" /></td>
</tr>
<tr>
<td>26.5</td>
<td>25</td>
</tr>
<tr>
<td>26.5</td>
<td>35</td>
</tr>
</tbody>
</table>

In addition, 100% of our people, including non-managerial and managerial staff, have gone through performance evaluation and career development review on an annual basis. Regular appraisal of employee performance aids the personal development of individual employees. It also contributes to skills management and to the development of human capital within the organization. Regular performance and career development reviews can enhance employee satisfaction, which correlates with improved organizational performance.

We believe that good people management and appropriate staff training will strengthen the Group’s corporate culture and bring quality products and great satisfaction to our customers. Hence, we strive to empower our people with the right skillset and motivation, working towards a common goal.
## 11 GRI Content Index

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