



UNION GAS HOLDINGS LIMITED

(Company Registration No. 201626970Z)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalyst Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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
Unaudited Financial Statements and Dividend Announcement for the
Financial Year ended 31 December 2019

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		
	2019	2018	Increase/ (decrease)
	S\$'000	S\$'000	%
Revenue	78,801	56,361	39.8
Cost of sales	(49,581)	(37,054)	33.8
Gross profit	29,220	19,307	51.3
Other income	1,188	1,058	12.3
Marketing and distribution costs	(14,909)	(8,986)	65.9
Administrative expenses	(4,962)	(3,730)	33.0
Finance costs	(80)	(62)	29.0
Other expenses	(66)	(4)	n.m. ⁽¹⁾
Profit before income tax	10,391	7,583	37.0
Income tax expenses	(1,974)	(1,159)	70.3
Profit, net of tax and total comprehensive income	8,417	6,424	31.0

Note:

⁽¹⁾ n.m. denotes not meaningful.

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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		
	2019	2018	Increase/ (decrease)
	S\$'000	S\$'000	%
Amortisation expenses	(1,680)	(803)	109.2
Depreciation of property, plant and equipment	(2,953)	(1,882)	56.9
Depreciation of right-of-use assets	(102)	–	n.m. ⁽¹⁾
Allowance for impairment of trade and other receivables (charged)/reversal	(58)	36	(261.1)
Bad debts written-off	(7)	(2)	250.0
Foreign exchange losses, net	(1)	(2)	(50.0)
Gain on disposal of plant and equipment	116	17	582.4
Rental income	286	270	5.9
Other income (excluding rental income)	902	788	14.5
Interest expenses	(80)	(62)	29.0

Note:

⁽¹⁾ n.m. denotes not meaningful.

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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 As at		Company As at	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	14,013	11,530	2	4
Right-of-use assets	119	–	86	–
Intangible assets	3,047	3,568	–	–
Investments in subsidiaries	–	–	20,000	20,000
Contract costs	2,490	2,481	–	–
Other assets	4,233	1,020	–	–
Total non-current assets	23,902	18,599	20,088	20,004
Current assets				
Inventories	408	298	–	–
Contract costs	858	853	–	–
Trade and other receivables	4,296	1,739	8,067	5,084
Other assets	5,416	678	17	10
Cash and cash equivalents	20,959	15,714	4,437	4,505
Total current assets	31,937	19,282	12,521	9,599
Total assets	55,839	37,881	32,609	29,603
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	24,718	24,709	24,718	24,709
Retained earnings	13,968	8,984	5,155	3,705
Other reserves	(7,678)	(7,682)	4	–
Total equity	31,008	26,011	29,877	28,414
Non-current liabilities				
Deferred tax liabilities	1,020	899	–	–
Other financial liabilities	602	1,359	–	–
Lease liabilities	16	–	16	–
Provisions	300	300	–	–
Total non-current liabilities	1,938	2,558	16	–
Current liabilities				
Income tax payable	1,826	959	2	23
Trade and other payables	19,826	7,313	2,643	1,166
Other financial liabilities	1,137	1,040	–	–
Lease liabilities	104	–	71	–
Total current liabilities	22,893	9,312	2,716	1,189
Total liabilities	24,831	11,870	2,732	1,189
Total equity and liabilities	55,839	37,881	32,609	29,603

Note:

Certain comparative figures have been reclassified. Refer to Note 5 for the further details.

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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 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	1,137	–	1,040	–
Amount repayable after one year	602	–	1,359	–

Details of any collaterals

As at 31 December 2019 and 31 December 2018, secured borrowings comprised finance leases which are covered by:

- (i) the lessors' charges over the leased plant and equipment of the Group; and
- (ii) corporate guarantee from the Company.

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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	
	2019	2018
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	10,391	7,583
Adjustments for:		
Interest income	(156)	(126)
Interest expense	80	62
Depreciation of property, plant and equipment	2,953	1,882
Depreciation of right-of-use assets	102	–
Impairment on trade receivables	58	–
Amortisation expenses	1,680	803
Gain on disposal of property, plant and equipment	(116)	(17)
Share-based payments	13	–
Operating cash flows before changes in working capital	15,005	10,187
Inventories	(110)	67
Contract costs	(887)	(941)
Trade and other receivables	(2,615)	(222)
Other assets	(3,504)	(1,542)
Trade and other payables	5,369	1,043
Net cash flows from operations	13,258	8,592
Income tax paid	(985)	(612)
Net cash flows from operating activities	12,273	7,980
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	–	(1,840)
Settlement of outstanding consideration for acquisition of subsidiary from related party in prior year	(920)	–
Proceeds from disposal of property, plant and equipment	246	44
Purchase of property, plant and equipment	(1,518)	(762)
Payment of intangible assets	(158)	(2,711)
Interest income received	156	126
Net cash flows used in investing activities	(2,194)	(5,143)
Cash flows from financing activities		
Dividends paid	(3,433)	(2,000)
Repayment of finance lease liabilities	(1,221)	(1,159)
Lease liability – principal portion paid	(100)	–
Interest expenses paid	(80)	(62)
Net cash flows used in financing activities	(4,834)	(3,221)
Net increase/(decrease) in cash and cash equivalents	5,245	(384)
Cash and cash equivalents, beginning balance	15,714	16,098
Cash and cash equivalents, ending balance	20,959	15,714

Note:

Certain comparative figures have been reclassified.

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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	Other reserves					Total equity
	Share capital	Retained earnings	Merger reserve	Capital reserve	Share-based payment reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	24,709	8,984	(11,000)	3,318	—	26,011
Total comprehensive income for the year	—	8,417	—	—	—	8,417
Dividends paid	—	(3,433)	—	—	—	(3,433)
Share-based payments	9 ⁽¹⁾	—	—	—	4	13
At 31 December 2019	24,718	13,968	(11,000)	3,318	4	31,008
At 1 January 2018	17,069	4,560	(1,800)	—	—	19,829
Total comprehensive income for the year	—	6,424	—	—	—	6,424
Acquisition of subsidiary from related party	6,440	—	(9,200)	3,318	—	558
Acquisition of intangible assets from related party	1,200	—	—	—	—	1,200
Dividends paid	—	(2,000)	—	—	—	(2,000)
At 31 December 2018	24,709	8,984	(11,000)	3,318	—	26,011

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The Company	Share capital	Retained earnings	Other reserve	Total Equity
			Share-based payment reserve	
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	24,709	3,705	—	28,414
Total comprehensive income for the year	—	4,883	—	4,883
Dividends paid	—	(3,433)	—	(3,433)
Share-based payments	9 ⁽¹⁾	—	4	13
At 31 December 2019	24,718	5,155	4	29,877
At 1 January 2018	17,069	2,443	—	19,512
Total comprehensive income for the year	—	3,262	—	3,262
Acquisition of subsidiary from related party	6,440	—	—	6,440
Acquisition of intangible assets from related party	1,200	—	—	1,200
Dividends paid	—	(2,000)	—	(2,000)
At 31 December 2018	24,709	3,705	—	28,414

Note:

- ⁽¹⁾ On 6 June 2019, the Company allotted and issued 37,958 ordinary shares ("**Shares**") being the 1st tranche awarded to eligible participants (the "**Participants**") under the Company's Performance Share Plan ("**PSP**").

- 1(d)(ii)** Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 July 2019 and 31 December 2019	228,900,822	24,718,587

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2019, 30 June 2019 and 31 December 2018.

- 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	
	31/12/2019	31/12/2018
Total number of issued shares excluding treasury shares	228,900,822	228,862,864

There were no treasury shares as at 31 December 2019, 30 June 2019 and 31 December 2018.

- 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 2019, 30 June 2019 and 31 December 2018.

- 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 2019, 30 June 2019 and 31 December 2018.

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 modifications or emphasis of a matter).

Not applicable

3A. Where the latest financial statements are subject to and adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable

(b) Confirmation from the Board that the impact of all outstanding audit issue on the financial statements have been adequately disclosed.

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, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period ended 31 December 2019 as compared to its audited financial statements for the financial year ended 31 December 2018.

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.

The Group has adopted all the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related interpretations to SFRS(I) that are relevant to the Group and effective for the financial period beginning on or after 1 January 2019. The application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 *Leases*.

The Group adopted SFRS(I) 16 *Leases* on 1 January 2019. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, FY2018 comparative figures have not been restated from that which was previously announced in FY2018 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

Certain reclassifications were made to balances in the statement of financial position of the group at the end of the previous financial year which arose from reassessment of certain payments made to customers:

- Non-refundable deferred customer retention costs and prepayments amounting to \$2,678,000 (1 January 2018: Nil) and \$656,000 (1 January 2018: Nil) were reclassified from intangible assets and other assets to contract costs and separately presented on statements of financial position;

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- Prepayment of \$1,020,000 were reclassified from current other assets to non-current other assets.

Group	As previously reported	Reclassification	Reclassified amount
	\$'000	\$'000	\$'000
Assets			
Non-current assets			
Intangible assets	6,246	(2,678)	3,568
Contract costs	–	2,481	2,481
Other assets	–	1,020	1,020
Current assets			
Contract costs	–	853	853
Other assets	2,354	(1,676)	678

The reclassification has no effect on the total assets, total liabilities, net assets and total equity of the group as at the end of the previous financial year.

The third statement of financial position at the beginning the previous financial year is not presented because above reclassification has no effect on the information in the statement of financial position at the beginning of the previous financial year.

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	
	31/12/2019	31/12/2018
Profit, net of tax (S\$'000)	8,417	6,424
Weighted average number of ordinary shares ('000)	228,884	217,183
Earnings per share ("EPS") – Based on weighted average number of ordinary shares in issue (cents)	3.68	2.96
EPS – On a fully diluted basis (cents)	3.68	2.96

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

Diluted EPS is the same as basic EPS as there were no potential dilutive securities existing during the respective reporting years.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
- current financial period reported on; and
 - immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net assets value per ordinary share (cents)	13.55	11.37	13.05	12.42
Number of ordinary shares used in computation of net asset value per ordinary share ('000)	228,901	228,863	228,901	228,863

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:
- 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
 - 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\$22.44 million or 39.8% from S\$56.36 million in FY2018 to S\$78.80 million in FY2019, mainly due to an 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 - Domestic**"); (ii) revenue contribution from sale of commercial LPG supply to Hawker Centres, eating houses, coffee shops and commercial central kitchens ("**Retail LPG - Commercial**"); and (iii) revenue from sale and distribution of diesel to retail customers at our fuel station at 50 Old Toh Tuck Road and bulk sales of diesel to commercial customers ("**Diesel Business**"). This was partially offset by a decrease in sale of compressed natural gas ("**CNG**") primarily to natural gas vehicles ("**NGVs**").

LPG Business

a) Retail LPG - Domestic

The revenue from our Retail LPG Business increased by approximately S\$1.95 million or 6.8% from S\$28.50 million in FY2018 to S\$30.45 million in FY2019. The increase was mainly due to the increase in sales volume.

b) Retail LPG - Commercial

The revenue contributed from Retail LPG – Commercial increased by approximately S\$16.85 million or 302.0% from S\$5.58 million in FY2018 to S\$22.43 million in FY2019. The increase was mainly attributable from incorporation of a subsidiary, Union LPG Pte. Ltd. on January 2019 that expanded the LPG supply to eating houses, coffee shops and commercial central kitchens.

Diesel Business

The revenue from our Diesel Business increased by approximately S\$3.84 million or 19.1% from S\$20.12 million in FY2018 to S\$23.96 million in FY2019. The increase was mainly due to an increase in sales volume of diesel at our fuel station at 50 Old Toh Tuck Road.

CNG Business

The revenue from our CNG Business decreased by approximately S\$0.20 million or 9.3% from S\$2.16 million in FY2018 to S\$1.96 million in FY2019. The decrease is mainly due to a decrease in our sales volume as a result of decrease in the number of NGVs, vehicles that operate on CNG, or hybrid, CNG and petrol, in Singapore.

Cost of Sales

Our cost of sales increased by approximately S\$12.53 million or 33.8% from S\$37.05 million in FY2018 to S\$49.58 million in FY2019. This was mainly due to:

- (i) an increase in direct materials cost by approximately S\$9.77 million arising from an increase in volume of: (i) diesel purchased; (ii) bottled LPG cylinder of Retail LPG purchased for both Domestic and Commercial;
- (ii) an increase in overhead costs by approximately S\$2.76 million or 86.3% from S\$3.20 million in FY2018 to S\$5.96 million in FY2019 mainly due to the increase in license and professional fees, servicing fees and depreciation due to expansion to supply LPG to eating houses, coffee shops and commercial central kitchens.

Gross Profit

Our gross profit increased by approximately S\$9.91 million or 51.3% from S\$19.31 million in FY2018 to S\$29.22 million in FY2019 due to increase in sales volume and our gross profit margin increase from approximately 34.3% in FY2018 to approximately 37.1% in FY2019.

Marketing and Distribution Costs

Our marketing and distribution costs increased by approximately S\$5.92 million or 65.9% from S\$8.99 million in FY2018 to S\$14.91 million in FY2019 is in line with increase in sales volume and business expansion in Retail LPG – Commercial segment. As a result, there were increases in delivery costs, call centre charges and marketing expenses.

Administrative Expenses

Our administrative expenses increased by approximately S\$1.23 million or 33.0% from S\$3.73 million in FY2018 to S\$4.96 million in FY2019. The increase was mainly due to the increase in: (i) salary arising mainly from additional headcount and salary increment; and (ii) donations to charities that are registered under Institutions of Public Character.

Income Tax Expense

Our income tax expense increased by approximately S\$0.81 million or 70.3% from S\$1.16 million in FY2018 to S\$1.97 million in FY2019. This was mainly due to higher profit before tax and the lower partial tax exemption which takes effect in YA2020.

Profit after tax

As a result of the above, our profit after tax increased by approximately S\$1.99 million or 31.0% from S\$6.42 million in FY2018 to S\$8.41 million in FY2019.

Review of Group's Financial Position

Non-Current Assets

Non-current assets increased by approximately S\$5.30 million or 28.5% from S\$18.60 million as at 31 December 2018 to S\$23.90 million as at 31 December 2019. The increase was mainly due to: (i) an increase in other assets in connection with the expansion to supply LPG to eating houses, coffee shops and commercial central kitchens; (ii) purchase of motor vehicles; and (iii) purchase of LPG manifold systems.

Current Assets

Current assets increased by approximately S\$12.66 million or 65.7% from S\$19.28 million as at 31 December 2018 to S\$31.94 million as at 31 December 2019. This was mainly due to increases in: (i) trade and other receivables by approximately S\$2.56 million which is in line with the Group's expansion; (ii) inventories by S\$0.11 million; (iii) other assets by approximately S\$4.74 million in connection with the expansion to supply LPG to eating houses, coffee shops and commercial central kitchens; and (iv) cash and cash equivalents of approximately S\$5.25 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.62 million or 24.2% from S\$2.56 million as at 31 December 2018 to S\$1.94 million as at 31 December 2019. The decrease was mainly due to repayment of finance lease liabilities.

Current Liabilities

Current liabilities increased by approximately S\$13.58 million or 145.9% from S\$9.31 million as at 31 December 2018 to S\$22.89 million as at 31 December 2019.

Trade and other payables increased by approximately S\$12.51 million, from which other payables increased by S\$9.65 million mainly due to increases in purchases of LPG manifold systems, license fees and payment of deposits of LPG consumption from customers. This was partially offset by the payment for the final tranche of the consideration for the acquisition of U-Gas. Trade payables increased by S\$2.86 million which is in line with increase of business volume.

Increase of lease liabilities by approximately S\$0.10 million was due to adoption of SFRS(I) 16 Leases which recognised the associated obligation of the rights-of-use assets as lease liabilities.

Income tax payable increased by approximately S\$0.87 million, which is in line with an increase in profit before tax.

Equity Attributable to Owners of Our Company

The increase in equity by approximately S\$5.00 million or 19.2% from S\$26.01 million as at 31 December 2018 to S\$31.01 million as at 31 December 2019 was due to the net profit in FY2019 and new shares issued pursuant to the vested awards under PSP. This was partially offset by dividends paid to shareholders.

Review of Group's Cash Flows

In FY2019, our net cash flow generated from operating activities amounted to S\$12.27 million. We generated operating cash flows before changes in working capital of S\$15.01 million which was decreased by net working capital outflows of S\$1.75 million and partially offset by taxes paid of S\$0.99 million. The net working capital outflow was mainly due to an increase in: (i) other assets of S\$3.50 million; (ii) trade and other receivables by S\$2.62 million; (iii) contract costs S\$ 0.89 million; and (iv) inventories by S\$ 0.11 million. This was partially offset by an increase in trade and payables by S\$5.37 million;

Net cash flows used in investing activities amounted to approximately S\$2.19 million were mainly due to: (i) purchase of motor vehicle and LPG manifold system of S\$1.52 million; (ii) payment for the final tranche of the consideration for the acquisition of U-Gas, amounting to S\$0.92 million; and (iii) intangible assets of S\$0.16 million. This was partially offset by proceeds from disposal of motor vehicles of S\$0.25 million and interest income received of S\$0.16 million.

Net cash flows used in financing activities amounted to S\$4.83 million in FY2019 due to (i) payment of first and final dividend for FY2018 of S\$2.75 million and interim dividend on HY2019 of S\$0.68 million; (ii) repayment of hire purchase loan of S\$1.22 million; (iii) repayment of operating lease liabilities of S\$0.10 million; and (iv) interest payment of S\$0.08 million.

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

Not applicable.

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.

The expansion through the increase in the business volume in the commercial sector and acquisition of the LPG manifold systems and pipings from UEC (Shareholders' mandate obtained at AGM on 25 April 2019) has contributed to the Group's business significantly and will continue to contribute to the growth of the Group.

Following the announcement made on 24 June 2019 and 13 August 2019, the Group's management has reviewed the impact of the fire incident at Summit, one of the Group's suppliers ("Incident"), and there is minimum disruption to the supply of bottled LPG cylinders to the business. The Incident has no significant financial impact to the Group's performance.

The Group is closely monitoring impact of the outbreak of the COVID-19 and will align its marketing activities and adapt its operations accordingly.

The Group will continue to explore opportunities to expand its business through acquisitions and new businesses that will complement the current businesses.

11. Dividend

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

Yes.

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	0.30 Singapore cent
Total annual dividend	S\$686,702.47
Date of payment	13 September 2019

The board of directors of the Company (the “**Board**”) is proposing a final dividend in respect of FY2019 (the “**Dividend**”), as follows:

Name of dividend	Final dividend
Dividend type	Cash
Dividend per ordinary share	1.55 Singapore cent
Total annual dividend	S\$3,547,963

The dividend is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting to be held in April 2020.

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

Name of dividend	First and final dividend
Dividend type	Cash
Dividend per ordinary share	1.20 Singapore cent
Total annual dividend	S\$2,746,354
Date of payment	03 June 2019

(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) Record Date

To be announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable. The Board is recommending to declare the dividend in respect of FY2019.

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 2019.

Name of Interested Person	Aggregate value of all interested person transactions (excluding transaction of less than S\$100,000 each and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules) during FY2019 (S\$'000)	Aggregate value of all interested person transactions (including transaction of less than S\$100,000 each) during FY2019 under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules (S\$'000)
Purchase of bottled LPG by the Group from Summit Gas Systems Pte. Ltd.	—	21,111
Purchase of bottled LPG by the Group from Semgas Supply Pte. Ltd.	—	2,048
Purchase of LPG manifold systems, pipings and storage licences from the Mandated Interested Persons	—	6,971
Provision of maintenance services by Mandated Interested Persons to the Group in relation to the repair and maintenance of lorries and the provision and installation of all spare parts on the lorries (including but not limited to tyres, bolts and nuts for lorries)	—	108
Sale of diesel at the Group's fuel station by the Group to the Mandated Interested Persons	—	43
Sale of diesel in bulk by the Group to Mandated Interested Persons	—	1,113
Purchase of electricity by the Group from Mandated Interested Persons	—	230
The provision of maintenance and support services by Mandated Interested Persons to any member of the Group	—	1,137
The provision of delivery services by Mandated Interested Persons to the Group	—	1,157
Provision of IT Infrastructure services to Sembas	—	276
Purchase of health products by the Group from Health Domain	—	2

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 Group has a general mandate for IPTs ("**Shareholders' Mandate**") set out in the following table, which has been approved during Annual General Meeting and Extraordinary General Meeting on 25 April 2019.

Use of Proceeds	Allocation of Proceeds as re-allocated on 3 August 2018 ("Re-Allocation") (S\$'000)	Proceeds utilised as at 13 August 2019 (S\$'000)	Proceeds utilised from 13 August 2019 to the date of this announcement (S\$'000)	Balance of Proceeds as at the date of this announcement (S\$'000)
Acquisition of dealers for the Retail LPG Business	4,143	3,046	5	1,092
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	4,679	5	2,816

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

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- Domestic \$'000	Retail LPG - Commercial \$'000	Retail station \$'000	Corporate \$'000	Total \$'000
<u>Group</u> <u>2019</u>					
External revenue	<u>30,451</u>	<u>22,434</u>	<u>25,916</u>	<u>–</u>	<u>78,801</u>
Segment results					
Profit/(loss) before income tax	5,381	4,412	3,787	(3,189)	10,391
Income tax expense	<u>(923)</u>	<u>(476)</u>	<u>(573)</u>	<u>(2)</u>	<u>(1,974)</u>
Profit/(loss), net of tax	<u>4,458</u>	<u>3,936</u>	<u>3,214</u>	<u>(3,191)</u>	<u>8,417</u>
<u>Other segment information</u>					
Amortisation expense	(592)	(1,088)	–	–	(1,680)
Depreciation expense	(1,254)	(1,036)	(698)	(67)	(3,055)
Finance costs	(71)	–	(6)	(3)	(80)
Allowance for impairment of trade and other receivables reversal/(charged)	<u>1</u>	<u>(33)</u>	<u>(26)</u>	<u>–</u>	<u>(58)</u>
Statement of Financial Position					
Total assets	<u>16,137</u>	<u>22,177</u>	<u>12,973</u>	<u>4,552</u>	<u>55,839</u>
Total liabilities	<u>8,510</u>	<u>12,582</u>	<u>3,056</u>	<u>683</u>	<u>24,831</u>
Additions:					
Property, plant and equipment	762	4,796	9	–	5,567
Right-of-use assets	69	–	–	152	221
Intangible assets	140	18	–	–	158
Contract costs	<u>–</u>	<u>1,016</u>	<u>–</u>	<u>–</u>	<u>1,016</u>

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	<u>Retail LPG- Domestic</u>	<u>Retail LPG - Commercial</u>	<u>Retail station</u>	<u>Corporate</u>	<u>Total</u>
2018					
External revenue	<u>28,497</u>	<u>5,583</u>	<u>22,281</u>	<u>–</u>	<u>56,361</u>
Segment results					
Profit/(loss) before income tax	6,200	465	2,460	(1,542)	7,583
Income tax expense	<u>(923)</u>	<u>–</u>	<u>(213)</u>	<u>(23)</u>	<u>(1,159)</u>
Profit/(loss), net of tax	<u>5,277</u>	<u>465</u>	<u>2,247</u>	<u>(1,565)</u>	<u>6,424</u>
<u>Other segment information</u>					
Amortisation expense	(315)	(488)	–	–	(803)
Depreciation expense	(1,056)	(116)	(710)	–	(1,882)
Finance costs	(45)	–	(17)	–	(62)
Allowance for impairment of trade and other receivables reversal/(charged)	<u>17</u>	<u>(12)</u>	<u>31</u>	<u>–</u>	<u>36</u>
Statement of Financial Position					
Total assets	<u>14,198</u>	<u>6,861</u>	<u>12,281</u>	<u>4,541</u>	<u>37,881</u>
Total liabilities	<u>7,227</u>	<u>1,002</u>	<u>2,452</u>	<u>1,189</u>	<u>11,870</u>
Additions:					
Property, plant and equipment	3,129	–	177	5	3,311
Intangible assets	3,408	503	–	–	3,911
Contract costs	<u>–</u>	<u>1,065</u>	<u>–</u>	<u>–</u>	<u>1,065</u>

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.

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18. A breakdown of sales as follows:

	Group		
	Financial Year Ended		
	31 December		
	2019	2018	Increase
	S\$'000	S\$'000	%
(a) Sales reported for first half year	34,368	23,953	43.5
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,955	3,306	19.6
(a) Sales reported for second half year	44,433	32,408	37.1
(b) Operating profit after tax before deducting non-controlling interests reported for second half year	4,462	3,118	43.1

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	
	2019	2018
	S\$'000	S\$'000
Interim	687	—
Final	3,548 ⁽¹⁾	2,746
Total	4,235	2,746

Note:

- (1) The proposed dividend in respect of FY2019 is subject to shareholders' approval at the forthcoming Annual General Meeting.

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.

Name of relative	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Teo Woo Yang ("Mr. TWY")	30	Son of Mr Teo Kiang Ang, the non-executive chairman and the controlling shareholder of the Company, and brother of Mr Teo Hark Piang, the executive director and chief executive officer of the Company.	Mr TWY was appointed as Business Development Director on 1 October 2019. He is responsible for business operations in connection with CNG, Diesel and LPG (Sungas) as well as procurement and marketing activities of the Group.	No changes in duties and position held during the year

BY ORDER OF THE BOARD

Teo Hark Piang
 Executive Director and Chief Executive Officer
 27 February 2020