



UNION GAS HOLDINGS LIMITED

(Company Registration No. 201626970Z)

UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 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 Catalist 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 Half-Year Financial Statements for the Six Months Ended 30 June 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		Increase/ (decrease) %
	Six months ended		
	30 June 2019	30 June 2018	
	S\$'000	S\$'000	
Revenue	34,368	23,953	43.5
Cost of sales	(21,702)	(15,100)	43.7
Gross profit	12,666	8,853	43.1
Other gains	71	–	n.m. ⁽¹⁾
Other income	546	489	11.7
Marketing and distribution costs	(6,278)	(3,856)	62.8
Administrative expenses	(2,196)	(1,756)	25.1
Finance costs	(45)	(25)	80.0
Other losses	(45)	(48)	(6.3)
Profit before tax	4,719	3,657	29.0
Income tax expenses	(764)	(511)	49.5
Profit, net of tax and total comprehensive income for the year	3,955	3,146	25.7

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		Increase/ (decrease) %
	Six months ended		
	30 June 2019	30 June 2018	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	(1,134)	(870)	30.3
Amortisation of right-of-use-assets	(43)	–	n.m. ⁽¹⁾
Amortisation of intangible assets	(752)	(132)	469.7
Allowance for impairment of trade and other receivables	(42)	(28)	50.0
Bad debts written-off	(2)	(1)	100.0
Foreign exchange loss	(1)	– ⁽²⁾	n.m. ⁽¹⁾
Gain/(loss) on disposal of plant and equipment	71	(19)	(473.7)
Rental income	141	132	6.8
Other income (excluding rental income)	405	357	13.4
Interest expenses	(45)	(25)	80.0

Notes:

- (1) n.m. denotes not meaningful
 (2) denotes less than \$1,000

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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		Company	
	As at		As at	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	13,198	11,530	3	4
Right-of-use assets	178	–	126	–
Intangible assets	7,152	6,246	–	–
Investments in subsidiaries	–	–	20,000	20,000
Total non-current assets	20,528	17,776	20,129	20,004
Current assets				
Inventories	538	298	–	–
Trade and other receivables	3,511	1,739	4,359	5,084
Other assets	3,932	2,354	23	10
Cash and cash equivalents	13,945	15,714	3,864	4,505
Total current assets	21,926	20,105	8,246	9,599
Total assets	42,454	37,881	28,375	29,603
EQUITY AND LIABILITIES				
Equity attributable to owners of				
the Company				
Share capital	24,718	24,709	24,718	24,709
Retained earnings	10,193	8,984	1,044	3,705
Merger reserve	(11,000)	(11,000)	–	–
Capital reserve	3,318	3,318	–	–
Total equity	27,229	26,011	25,762	28,414
Non-current liabilities				
Deferred tax liabilities	899	899	–	–
Other financial liabilities	1,148	1,359	–	–
Lease liabilities	62	–	46	–
Provisions	300	300	–	–
Total non-current liabilities	2,409	2,558	46	–
Current liabilities				
Income tax payable	1,273	959	–	23
Trade and other payables	10,220	7,313	2,486	1,166
Other financial liabilities	1,206	1,040	–	–
Lease liabilities	117	–	81	–
Total current liabilities	12,816	9,312	2,567	1,189
Total liabilities	15,225	11,870	2,613	1,189
Total equity and liabilities	42,454	37,881	28,375	29,603

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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 30 June 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	1,206	–	1,040	–
Amount repayable after one year	1,148	–	1,359	–

Details of collaterals

As at 30 June 2019, secured borrowings comprised:

1. Finance leases of S\$2,354,000 (31 December 2018: S\$2,399,000) secured by:
 - (i) corporate guarantee from the Company; and
 - (ii) plant and equipment of the Group.

Union Gas Holdings Limited
Unaudited Half-Year Financial Statements for the Six Months Ended 30 June 2019

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 2019	30 June 2018
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	4,719	3,657
Adjustments for:		
Interest income	(56)	(67)
Interest expense	45	25
Depreciation of property, plant and equipment	1,134	870
Amortisation of right-of-use assets	43	–
Amortisation of intangible assets	752	132
(Gain)/loss on disposal of plant and equipment	(71)	19
Share-based payments	9	–
Operating cash flows before changes in working capital	6,575	4,636
Inventories	(240)	113
Trade and other receivables	(1,772)	(625)
Other assets	(1,578)	(174)
Trade and other payables	3,427	2,258
Net cash flows from operations	6,412	6,208
Income tax paid	(450)	(315)
Net cash flows from operating activities	5,962	5,893
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(920)	(1,840)
Purchase of property, plant and equipment	(2,264)	(513)
Proceeds from disposal of property, plant and equipment	93	–
Acquisitions of intangible assets	(1,258)	(979)
Interest received	56	67
Net cash flows used in investing activities	(4,293)	(3,265)
Cash flows from financing activities		
Dividends paid	(2,746)	(2,000)
Repayment of other financial liabilities	(605)	(524)
Repayment of lease liabilities	(42)	–
Interest paid	(45)	(25)
Net cash flows used in financing activities	(3,438)	(2,549)
Net (decrease)/increase in cash and cash equivalents	(1,769)	79
Cash and cash equivalents, statement of cash flows, beginning balance	15,714	16,098
Cash and cash equivalents, statement of cash flows, ending balance	13,945	16,177

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Unaudited Half-Year Financial Statements for the Six Months Ended 30 June 2019

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	Merger reserve S\$'000	Capital reserve S\$'000	Total equity S\$'000
At 1 January 2019	24,709	8,984	(11,000)	3,318	26,011
Total comprehensive income for the period	–	3,955	–	–	3,955
Dividends paid	–	(2,746)	–	–	(2,746)
Share-based payments ⁽¹⁾	9	–	–	–	9
At 30 June 2019	24,718	10,193	(11,000)	3,318	27,229
At 1 January 2018	17,069	4,560	(1,800)	–	19,829
Total comprehensive income for the period	–	3,146	–	–	3,146
Acquisition of intangible assets	1,200	–	–	–	1,200
Acquisition of subsidiary	6,440	–	(9,200)	3,318	558
Dividends paid	–	(2,000)	–	–	(2,000)
At 30 June 2018	24,709	5,706	(11,000)	3,318	22,733
The Company	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000		
At 1 January 2019	24,709	3,705	28,414		
Total comprehensive income for the period	–	85	85		
Dividends paid	–	(2,746)	(2,746)		
Share-based payments ⁽¹⁾	9	–	9		
At 30 June 2019	24,718	1,044	25,762		
At 1 January 2018	17,069	2,443	19,512		
Total comprehensive income for the period	–	208	208		
Acquisition of intangible assets	1,200	–	1,200		
Acquisition of subsidiary	6,440	–	6,440		
Dividends paid	–	(2,000)	(2,000)		
At 30 June 2018	24,709	651	25,360		

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, 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 31 December 2018	228,862,864	24,709,477
Issue of new shares pursuant to PSP ⁽¹⁾	37,958	9,110
Issued and paid-up share capital as at 30 June 2019	228,900,822	24,718,587

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

Note:

- (1) On 6 June 2019, the Company allotted and issued 37,958 Shares being the 1st tranche awarded to the Participants under the PSP. The 2nd and 3rd tranche of 37,958 and 50,612 Shares, respectively, awarded to the Participants under the PSP, will vest on 6 June 2020 and 6 June 2021, respectively. In aggregate, the Shares to be allotted and issued under the 2nd and 3rd tranche represents 0.04% of the total number of Shares of the Company as at 30 June 2019. There were no Shares granted under the PSP as at 30 June 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	
	30/06/2019	31/12/2018
Total number of issued shares excluding treasury shares	228,900,822	228,862,864

There were no treasury shares as at 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 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 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 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, 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 30 June 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, HY2018 comparative figures have not been restated from that which was previously announced in HY2018 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

- 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	
	30/06/2019	30/06/2018
Profit, net of tax (S\$'000)	3,955	3,146
Weighted average number of ordinary shares ('000)	228,868	205,310
EPS – Based on weighted average number of ordinary shares in issue (cents)	1.73	1.53
EPS – On a fully diluted basis (cents)	1.73	1.53

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

- 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	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net assets value per ordinary share (cents)	11.90	11.37	11.25	12.42
Number of ordinary shares used in computation of net assets 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:
- (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\$10.42 million or 43.5% from S\$23.95 million in HY2018 to S\$34.37 million in HY2019, 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**") arising from acquisition of assets (being non-contractual relationships with domestic customers) from Semgas Supply Pte. Ltd. ("**Semgas**") as well as other dealers after Q1 2018; (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\$1.71 million or 12.8% from S\$13.35 million in HY2018 to S\$15.06 million in HY2019. The increase was mainly due to the increase in sales volume by approximately 19.0%. This was partially offset by a decrease in the average selling price of our bottled LPG cylinders in HY2019 as compared to HY2018 as a result of promotional pricing launched in March 2019.

b) Retail LPG - Commercial

The revenue contributed from Retail LPG – Commercial increased by approximately S\$5.63 million or 760.8% from S\$0.74 million in HY2018 to S\$6.37 million in HY2019. The increase was mainly attributable to revenue contribution following the (i) acquisition of U-Gas on 31 May 2018; and (ii) expansion to supply LPG to eating house, coffee shops and commercial central kitchens.

Diesel Business

The revenue from our Diesel Business increased by approximately S\$3.13 million or 35.6% from S\$8.79 million in HY2018 to S\$11.92 million in HY2019. The increase was mainly due to an increase in: (i) the average selling price arising from an increase in international oil prices; and (ii) sales volume of diesel at our fuel station.

CNG Business

The revenue from our CNG Business decreased by approximately S\$0.05 million or 4.7% from S\$1.07 million in HY2018 to S\$1.02 million in HY2019. The decrease is mainly due to a decrease in our sales volume by approximately 6.3% as a result of decrease in the number of NGVs, vehicles that operate on CNG, or hybrid, CNG and petrol, in Singapore. This was partially offset by an increase in average selling price of our CNG by approximately 2.4% in HY2019 as compared to HY2018 due to an increase in our cost of purchase of natural gas arising from increase in High Sulfur Fuel Oil prices.

Cost of sales

Our cost of sales increased by approximately S\$6.60 million or 43.7% from S\$15.10 million in HY2018 to S\$21.70 million in HY2019. This was mainly due to:

- (i) an increase in direct materials cost by approximately S\$5.53 million arising from an increase in volume of: (i) diesel purchased by approximately 20.5%; (ii) bottled LPG cylinder of Retail LPG – Domestic purchased, by approximately 19.0%; and (iii) bottled LPG cylinder of Retail LPG – Commercial purchased, by approximately 751.4%. This was partially offset by the decrease in (i) average cost of purchase of bottled LPG cylinder of Retail LPG – Domestic and Retail LPG – Commercial by approximately 7.7%; and (ii) lower volume of natural gas purchase by approximately 6.3% in HY2019 compared to HY2018;
- (ii) an increase in overhead costs by approximately S\$1.07 million or 96.4% from S\$1.11 million in HY2018 to S\$2.18 million in HY2019 mainly due to the increase in: (i) servicing fees by approximately S\$ 0.27 million in HY2019 compared to HY2018; (ii) depreciation by approximately S\$0.13 million; and (iii) amortisation of intangible assets by S\$0.62 million due to asset acquisition after Q1 2018 and acquisition of subsidiary, U-Gas on 31 May 2018.

Gross profit

Our gross profit increased by approximately S\$3.82 million or 43.1% from S\$8.85 million in HY2018 to S\$12.67 million in HY2019 due to increase in sales volume and our gross profit margin decrease from approximately 37.0% in HY2018 to approximately 36.9% in HY2019.

Other gains

Other gains increased by S\$0.07 million due to gain on disposal of motor vehicles in HY2019.

Other income

Our other income increased by approximately S\$0.06 million or 11.7% from S\$0.49 million in HY2018 to S\$0.55 million in HY2019. The increase in other income was mainly due to the receipt of government grant income of approximately S\$0.07 million arising mainly from wage credit scheme and special employment credits. This was partially offset by a decrease in interest income of approximately S\$0.01 million.

Marketing and distribution costs

Our marketing and distribution costs increased by approximately S\$2.42 million or 62.8% from S\$3.86 million in HY2018 to S\$6.28 million in HY2019. The increase was mainly due to increases in: (i) depreciation and upkeep of motor vehicles of S\$0.24 million as a result of the purchase of new motor vehicles; (ii) delivery and call centre charges of S\$1.16 million arising from an increase in sales volume of Retail LPG-Domestic and Retail LPG-Commercial Business; (iii) marketing expenses of S\$0.68 million; and (iv) salary of S\$0.17 million arising from additional headcount and allocate 60% of CEO and Deputy CEO scope of work.

Administrative expenses

Our administrative expenses increased by approximately S\$0.44 million or 25.1% from S\$1.76 million in HY2018 to S\$2.20 million in HY2019. The increase was mainly due to the increase in: (i) salary of S\$0.42 million arising mainly from additional headcount and salary increment; (ii) printing and stationery of S\$0.05 million; and (iii) donation by S\$0.03 million to charities that are registered under Institutions of Public Character. This was partially offset by a decrease in legal and professional fees of S\$0.13 million which we had incurred in HY2018 for the acquisition of both intangible assets and subsidiary in HY2018, that was non-recurrent in HY2019.

Finance costs

Our finance costs increased by approximately S\$20,000 or 80.0% from S\$25,000 in HY2018 to S\$45,000 in HY2019, mainly due to interest on hire purchase of new motor vehicles.

Other losses

Our other losses decreased by approximately S\$3,000 or 6.3% from a loss of approximately S\$48,000 in HY2018 to a loss of approximately S\$45,000 in HY2019 mainly due to one time write-off of renovation cost at Genting Road arising from the shifting of our office premise to 3 Lorong Bakar Batu in HY2018. This was partially offset by the increase in allowance for impairment of trade receivables from our Diesel Business.

Income tax expense

Our income tax expense increased by approximately S\$0.25 million or 49.5% from S\$0.51 million in HY2018 to S\$0.76 million in HY2019. This was mainly due to higher profit before tax and the lower partial tax exemption which takes effect in YA2020.

Profit, net of tax

As a result of the above, our profit after tax increased by approximately S\$0.81 million or 25.7% from S\$3.15 million in HY2018 to S\$3.96 million in HY2019.

Review of Group's Financial Position

Non-current assets

Non-current assets increased by approximately S\$2.75 million or 15.5% from S\$17.78 million as at 31 December 2018 to S\$20.53 million as at 30 June 2019. The increase was mainly due to: (i) an increase in intangible assets of S\$1.66 million mainly arising from deferred customer retention costs; (ii) purchases of motor vehicles from third party of S\$0.67 million; and (iii) purchase of LPG manifold systems from Union Energy Corporation Group ("UEC") of S\$2.15 million.

This was partially offset by reduction in property, plant and equipment and intangible assets due to depreciation and amortisation expenses for HY2019.

Current assets

Current assets increased by approximately S\$1.82 million or 9.1% from S\$20.11 million as at 31 December 2018 to S\$21.93 million as at 30 June 2019. This was mainly due to increases in: (i) trade and other receivables by approximately S\$1.77 million which is in line with the Group's expansion; (ii) inventories by S\$0.24 million; and (iii) other assets by approximately S\$1.58 million which has increased due to increase in prepayments. This was partially offset by decrease in cash and cash equivalents of approximately S\$1.77 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.15 million or 5.9% from S\$2.56 million as at 31 December 2018 to S\$2.41 million as at 30 June 2019. The decrease was mainly due to the repayment of finance lease liabilities.

Current liabilities

Current liabilities increased by approximately S\$3.50 million or 37.6% from S\$9.31 million as at 31 December 2018 to S\$12.82 million as at 30 June 2019.

Trade and other payables increased by approximately S\$2.91 million due to increases in: (i) trade payables arising from increases in Retail LPG sales volume, purchases of LPG manifold systems and license fees from UEC amounting to approximately S\$1.89 million; and (ii) payment of a deposit of LPG consumption from customer amounting to S\$1.40 million. This was partially offset by the payment for the final tranche of the consideration for the acquisition of U-Gas, amounting to S\$0.92 million.

Increase of other financial liabilities by approximately S\$0.16 million was due to new hire purchase loans arising from the purchase of motor vehicles.

Increase of lease liabilities by approximately S\$0.12 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\$0.31 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\$1.22 million or 4.7% from S\$26.01 million as at 31 December 2018 to S\$27.23 million as at 30 June 2019 was due to an increase in net profit in HY2019 by approximately S\$3.96 million and new shares issued pursuant to the vested awards under PSP of S\$0.01 million. This was partially offset by dividends paid to shareholders of S\$2.75 million.

Review of Group's Cash Flows

In HY2019, our net cash flow generated from operating activities amounted to S\$5.96 million. We generated operating cash flows before changes in working capital of S\$6.58 million which was partially offset by net working capital outflows of S\$0.16 million and taxes paid of S\$0.45 million. The net working capital outflow was mainly due to an increase in: (i) inventories by S\$0.24 million; (ii) trade and other receivables by S\$1.77 million; and (iii) other assets of S\$1.58 million. This was partially offset by an increase in trade and payables by S\$3.43 million.

Net cash flows used in investing activities amounted to approximately S\$4.29 million mainly due to: (i) payment of intangible assets and assets acquisition of S\$1.26 million; (ii) net purchase of motor vehicle and LPG manifold system of S\$2.26 million; and (iii) payment for the final tranche of the consideration for the acquisition of U-Gas, amounting to S\$0.92 million. This was partially offset by proceeds from disposal of motor vehicles of S\$0.09 million and interest income received of S\$0.06 million.

Net cash flows used in financing activities amounted to S\$3.44 million in HY2019 due to (i) payment of first and final dividend for FY2018 of S\$2.75 million; (ii) repayment of hire purchase loan of S\$0.60 million; (iii) repayment of lease liabilities of S\$0.04 million; and (iv) interest payment of S\$0.05 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 with the expansion of business through acquisitions as well as increases in the Group's business volume in the commercial sector for HY2019 is generally in line with the trends that have been disclosed in the financial statements for the financial year ended 31 December 2018.

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 and will continue to contribute to the growth of the Group.

Following the announcement made on 24 June 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. However, the cost of LPG may increase in the second half of this financial year. The Company will continue to monitor the financial impact to the Group caused by the Incident. It will provide updates to the shareholders if there is any material financial impact to the Group.

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. The board of directors of the Company (the "Board") is proposing a interim dividend in respect of HY2019 (the "**Dividend**"), as follows:

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

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

None.

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

Tax exempt (one-tier).

(d) Date payable

To be announced at a later date.

(e) Books closure date

To be announced at a later date.

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

Not applicable. The Board is recommending to declare the Dividend for the current financial period.

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.**

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.

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 HY2019 (S\$'000)	Aggregate value of all interested person transactions (including transaction of less than S\$100,000 each) during HY2019 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.	–	8,824
Purchase of bottled LPG by the Group from Semgas Supply Pte. Ltd.	–	561
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)	–	20
Sale of diesel at the Group's fuel station from the Group to the Mandated Interested Persons	–	28
Sale of diesel in bulk by the Group to Mandated Interested Persons	–	567
Purchase of electricity by the Group from Mandated Interested Persons	–	118
The provision of maintenance and support services by Mandated Interested Persons to any member of the Group	–	305
The provision of delivery services by Mandated Interested Persons to the Group	–	160
Provision of IT Infrastructure services to Sembas	–	138
Purchase of health products by the Group from Health Domain	–	7

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 2019 to be false or misleading in any material aspect.

On behalf of the Board

Teo Hark Piang
 Executive Director and Chief Executive Officer

Loo Hock Leong
 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**”). As at the date of this announcement, the Gross Proceeds have been utilised and re-allocated as per the Company’s announcement on 3 August 2018 (“**Re-Allocation**”) as follows:

Use of Proceeds	Allocation of Proceeds as re-allocated on 3 August 2018 (\$'000)	Proceeds utilised as at 27 February 2019 (\$'000)	Proceeds utilised from 27 February 2019 to the date of this announcement (\$'000)	Balance of Proceeds as at the date of this announcement (\$'000)
Acquisition of dealers for the Retail LPG Business	4,143	2,969	77	1,097
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	4,602	77	2,821

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.

BY ORDER OF THE BOARD

Teo Hark Piang
Executive Director and Chief Executive Officer
13 August 2019