

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2010

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the financial period ended 31 March 2010. These figures have not been audited.

	Group		% Change
	31/03/2010 (3 months)	31/03/2009 (3 months)	
	\$'000	\$'000	
Revenue	1,363	948	43.78
Cost of sales	(1,331)	(1,225)	8.65
Gross profit/(loss)	32	(277)	N.M.
Other income	6	427	(98.59)
Selling and distribution expenses	(64)	(91)	(29.67)
Administrative expenses	(752)	(665)	13.08
Other operating expenses	(38)	(29)	31.03
Finance costs	(74)	(105)	(29.52)
Loss before tax	(890)	(740)	20.27
Income tax expense	-	-	-
Loss net of tax, representing loss attributable to owners of the parent	(890)	(740)	20.27
Basic and fully diluted loss per share attributable to owners of the parent (cents per share)	(0.20)	(0.27)	

N.M. : not meaningful

1 (a)(i) Loss before taxation is arrived after crediting/(charging) the following :

	Group	
	31/03/2010 (3 months)	31/03/2009 (3 months)
	\$'000	\$'000
(Loss)/Gain on foreign exchange	(8)	105
Depreciation of property, plant and equipment	(167)	(185)
Gain on disposal of property, plant and equipment	0	279
Interest expense	(74)	(105)

1(a)(ii) Statement of Comprehensive Income for the period ended 31 March 2010

	Group	
	31/03/2010 (3 months)	31/03/2009 (3 months)
	\$'000	\$'000
Loss net of tax	(890)	(740)
Other comprehensive income:		
Foreign currency translation	(127)	(689)
Other comprehensive income for the period, net of tax	(127)	(689)
Total comprehensive income for the period that is attributable to owners of the parent	(1,017)	(1,429)

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, plant and equipment	2,236	2,368	40	45
Goodwill	116,134	116,134	-	-
Evaluation assets	20,345	19,401	-	-
	138,715	137,903	40	45
Current Assets				
Assets held for sale	4,377	4,377	-	-
Inventories	1,127	976	91	41
Trade and other receivables	3,518	3,528	2,615	2,129
Amount due from subsidiaries	-	-	135,205	132,562
Other current assets	109	164	37	49
Cash and cash equivalents	20,227	22,663	17,500	20,511
	29,358	31,708	155,448	155,292
Current Liabilities				
Loans and borrowings	1,919	2,098	115	268
Trade and other payables	22,575	23,705	12,245	12,608
Income tax payable	144	144	144	144
	24,638	25,947	12,504	13,020
Net Current Assets	4,720	5,761	142,944	142,272
Non-Current Liabilities				
Loans and borrowings	5,854	5,066	4,077	2,977
	5,854	5,066	4,077	2,977
Net Assets	137,581	138,598	138,907	139,340
Capital and Reserves				
Share capital	176,877	176,877	176,877	176,877
Reserves	(39,296)	(38,279)	(37,970)	(37,537)
Total Equity	137,581	138,598	138,907	139,340

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/03/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,804	115	1,830	268

Amount repayable after one year

As at 31/03/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,777	4,077	2,089	2,977

	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
	\$'000	\$'000	\$'000	\$'000
Borrowings (Current)				
Bank overdrafts	357	592	115	268
MYR – term loan	1,562	1,506	-	-
Total Borrowings (Current)	1,919	2,098	115	268
Borrowings (Non-current)				
MYR – term loan	1,777	2,089	-	-
Loans from a corporate shareholder	4,077	2,977	4,077	2,977
Total Borrowings (Non-Current)	5,854	5,066	4,077	2,977
Total loans and borrowings	7,773	7,164	4,192	3,245

Details of any collateral

The term loan is secured by first legal charge over the subsidiary's leasehold land and building and by the joint and several personal guarantee of two directors for approximately S\$4.35 million to a bank in Malaysia. In addition, a fresh Corporate Guarantee by the Company was provided for approximately S\$4.35 million.

The bank overdraft granted to the subsidiary by another bank in Malaysia is secured by a second legal charge over the subsidiary's leasehold land and building. In addition, a Corporate Guarantee by the Company was provided for approximately S\$4.08 million.

Additionally the Company's bank borrowings are also secured by the joint and several personal guarantee of two directors of up to S\$4 million to a bank in Singapore.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	31/03/2010	31/03/2009
	\$'000	\$'000
Operating activities		
Loss before tax	(890)	(740)
Adjustments for:		
Depreciation of property, plant and equipment	167	185
Gain on disposal of property, plant and equipment	-	(279)
Interest expense	74	105
Operating cash flows before changes in working capital	(649)	(729)
Increase in inventories	(152)	(45)
Decrease in trade and other receivables	75	1,186
Decrease in trade and other payables	(1,009)	(1,266)
Cash flows used in operations	(1,735)	(854)
Income tax paid	-	(8)
Interest paid	(74)	(105)
Net cash flows used in operating activities	(1,809)	(967)
Investing activities		
Proceeds from disposal of property, plant and equipment	-	208
Purchase of property, plant and equipment	(28)	(43)
Payment for professional fees for the acquisition of Kingworld Resources Limited	-	(315)
Purchase of evaluation assets	(966)	-
Net cash flows used in investing activities	(994)	(150)
Financing activities		
Repayment of term loans	(256)	(416)
Repayment of finance leases	-	(60)
Repayment of loan to related companies	(99)	-
Loans from a corporate shareholder	1,100	1,268
Net cash generated from financing activities	745	792
Net decrease in cash and cash equivalents	(2,058)	(325)
Cash and cash equivalents at beginning of period	22,071	244
Effect of exchange rate changes on cash and cash equivalents	(143)	(7)
Cash and cash equivalents at end of the period	19,870	(88)

Breakdown of Cash & Cash Equivalents at end of the period

	31/03/2010	31/03/2009
	\$'000	\$'000
Cash at bank and in hand	20,227	1,886
Bank overdrafts	(357)	(1,974)
Cash and cash equivalents at end of the period	19,870	(88)

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Capital Reduction reserve	Assets revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total equity/ (deficit)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
At 1 January 2009	24,145	3,710	2,298	(6,099)	(34,194)	(10,140)
Loss net of tax	-	-	-	-	(740)	(740)
Other comprehensive income for the period	-	-	-	(689)	-	(689)
Total comprehensive income for the period	-	-	-	(689)	(740)	(1,429)
At 31 March 2009	24,145	3,710	2,298	(6,788)	(34,934)	(11,569)
At 1 January 2010	176,877	3,710	2,298	(5,523)	(38,764)	138,598
Loss net of tax	-	-	-	-	(890)	(890)
Other comprehensive income for the period	-	-	-	(127)	-	(127)
Total comprehensive income for the period	-	-	-	(127)	(890)	(1,017)
At 31 March 2010	176,877	3,710	2,298	(5,650)	(39,654)	137,581
Company						
At 1 January 2009	24,145	3,710	-	-	(36,022)	(8,167)
Loss net of tax	-	-	-	-	(464)	(464)
Total comprehensive income for the period	-	-	-	-	(464)	(464)
At 31 March 2009	24,145	3,710	-	-	(36,486)	(8,631)
At 1 January 2010	176,877	3,710	-	-	(41,247)	139,340
Loss net of tax	-	-	-	-	(433)	(433)
Total comprehensive income for the period	-	-	-	-	(433)	(433)
At 31 March 2010	176,877	3,710	-	-	(41,680)	138,907

- 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 or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There had been no change in the company's share capital in the current reported financial period.

- 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.**

Total number of issued shares excluding treasury shares as at 31 March 2010 was 455,821,443 (31 December 2009: 455,821,443 shares).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 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 auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis on 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**

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the financial year ended 31 December 2009.

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 effects of, the change**

The Group has adopted applicable Financial Reporting Standards (“FRS”), which became effective for financial years beginning on or after 1 January 2010.

The adoption of the new/revised FRS did not result in any material impact on the Group’s results.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	31/03/2010	31/03/2009
	Cents	Cents
Earnings per ordinary share for the period based on net loss attributable to owners of the parent		
(i) Based on weighted average number of ordinary shares on issue; and	(0.20)	(0.27)
(ii) On a fully diluted basis	(0.20)	(0.27)

Basic loss per share is calculated with reference to the net loss attributable to owners of the parent and the weighted average number of ordinary shares of 455,821,443 (31 March 2009: 273,821,443 shares).

There are no potential dilutive ordinary shares outstanding during the period.

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: -**
(a) current period reported on and
(b) immediately preceding financial year

	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
	Cents	Cents	Cents	Cents
Net asset value per ordinary share capital	30.18	30.41	30.47	30.57

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during financial period reported on**

8.1 Income Statement

For the three months ended 31 March 2010, the Group incurred a loss before tax of S\$890,000 against S\$740,000 in the previous corresponding period. Included in the loss before tax of S\$890,000, approximately S\$153,000 is attributable to the Group's oil and gas division and S\$737,000 is attributable to the Group's electronics division.

8.1.1 Oil and gas division

Losses of this division of S\$153,000 mainly comprises of administrative expenses for the period.

There is no revenue generated from these operations.

8.1.2 Electronics division

Despite the increase in revenue, given the challenging market conditions, the electronic division continues to incur losses in the quarter ended 31 March 2010.

Revenue

The Group's sales increased by 44%, or S\$415,000, from S\$948,000 for the quarter ended 31 March 2009 ("1Q 2009") to S\$1,363,000 for the quarter ended 31 March 2010 ("1Q 2010"). The increase was mainly due to an increase in consignment sales.

Gross Profit

The Group has recorded gross profit of S\$32,000 in 1Q 2010 as compared to a gross loss of S\$277,000 in 1Q 2009 due mainly to higher sales.

Other Income

The decrease in other income in 1Q 2010 as compared to the previous corresponding period was due to the absence of the gain from disposal of plant and equipment and net exchange gain recorded in 1Q 2009.

Administrative, Selling and Distribution Expenses

Administrative, selling and distribution expenses have decreased from S\$665,000 and S\$91,000 in 1Q 2009 to S\$599,000 and S\$64,000 in 1Q 2010 respectively due mainly to stringent cost control.

Other Operating Expenses

Other operating expenses have increased mainly due to exchange loss on foreign currency resulting from the weakening of the US dollar.

Finance Costs

These have reduced commensurate with the reduction in bank borrowings.

8.2 Balance Sheet

8.2.1 The increase in evaluation assets and inventories is mainly from the oil and gas division.

8.2.2 On 4 May 2010, the Group's wholly-owned subsidiary, Trim Technologies (M) Sdn Bhd ("TRIM") entered into a sale and purchase agreement with Pan-International Wire & Cable (Malaysia) Sdn Bhd for the proposed disposal of the leasehold land known as PT 3245, Mukim 1 held under HSD 31801, Daerah Seberang Perai Tengah, Pulau Pinang together with a single storey detached factory building erected on it bearing postal address as Plot 16, Lorong Jelawat 1, Seberang Jaya Industrial Park, 13700 Prai, Penang, Malaysia, for an aggregate consideration of RM8,150,000 (approximately equivalent to S\$3,498,000 based on an exchange rate of S\$1.00 : RM2.33).

As disclosed in the annual report 2009, TRIM has entered into a sale and purchase agreement to dispose the leasehold vacant land at approximately S\$1,407,000.

At the date of this announcement, the aforesaid transactions have yet to be completed. The net proceeds from the disposals would be utilized to repay the Group's bank borrowings.

8.2.3 Included in trade and other payables are S\$10,000,000 due to the vendors of Kingworld Resources Limited ("KRL") for the balance of unpaid cash consideration and an amount of S\$6,081,000 due to related companies, which had funded the operations of KRL before the acquisition.

8.2.4 The reduction in bank borrowings and trade and other payables has been funded by additional shareholder loans.

8.3 Cash Flow

For the period ended 31 March 2010, the Group funded its working capital requirements and repayments of its short term borrowings from additional loans of S\$1,100,000 from a corporate shareholder.

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

The results of the current financial period were generally in line with: -

(a) the forecast made in the full year financial statement and dividend announcement for financial year ended 31 December 2009, which was released on 25 February 2010; and

(b) the quarterly update pursuant to Rule 1313(2) of the Listing Manual as announced on 25 February 2010.

10. A commentary at the date of the announcement of the 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 Board is of the opinion that, in view of challenging market conditions, the Group's electronics business may continue to operate at a loss.

As for the Group's oil and gas business, KRL is continuing with the evaluation program and is targeting to submit the Overall Development Plan in June 2010 to the relevant authorities for approval. Commercial production will only commence after obtaining such approval.

Pursuant to the Petroleum Production Sharing Contract ("PSC") dated 12 November 2007 between China National Petroleum Corporation and KRL, KRL is obliged to incur minimum evaluation expenditure of US\$20 million for 2 consecutive years of the evaluation period. This commitment has been secured by a banker's guarantee issued by the Hongkong and Shanghai Banking Corporation Limited. KRL has fulfilled the minimum evaluation expenditure requirement under the PSC and the banker's guarantee has since been released.

In regard to the proposed acquisition of Orchard Energy Pte. Ltd. as announced on 3 December 2009, the proposed acquisition has not been completed pending fulfillment of the conditions precedent provided under the Sale and Purchase Agreement in relation to the sale. The Company will release further announcement when the proposed acquisition has been completed.

On 2 March 2010, the Issuer Regulation of Singapore Exchange issued a letter to the Company confirming a grant of a 12-month extension, till 4 March 2011, to meet the requirements to exit from the Watch-List which are set out under the Listing Rule 1314. The Company is currently exploring suitable steps to remove itself from the SGX Watch-List and will update Shareholders via SGXNET announcement as appropriate.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Interested Person Transactions

Not applicable.

14. Confirmation by the Board pursuant to rule 705(5)

We, Dato' Sri Dr Tiong Ik King and Foo Sac Phoon, being two Directors of **RH PETROGAS LIMITED** (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter financial results for the period ended 31 March 2010 to be false or misleading.

On behalf of the Board of Directors

Dato' Sri Dr Tiong Ik King
Director

Foo Sac Phoon
Director

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman
10 May 2010