

RH PETROGAS LIMITED

(Company Registration No.: 198701138Z)

INTERESTED PERSON TRANSACTIONS – LOANS BY RH PETROGAS INVESTMENTS PTE. LTD. TO RHP (MUKAH) PTE. LTD.

The Board of Directors of RH Petrogas Limited (“**Company**”, together with its subsidiaries, the “**Group**”) refers to its announcements issued on 28 September 2018 (SGXNET Announcement No. SG180928OTHRHSFT, the “**September 2018 Announcement**”) and on 21 October 2016 (SGXNET Announcement No. SG161021OTHROGPG, the “**October 2016 Announcement**”) and wishes to provide an update on the loans extended by the Group to RHP (Mukah) Pte. Ltd. (“**RHP (Mukah)**”) for the financial year ended 31 December 2018 (“**FY2018**”), which constitute interested person transactions under Chapter 9 of the Listing Manual (“**Listing Manual**”) of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

As announced on 7 October 2016 (SGXNET Announcement No. SG161007OTHR39JX), the SGX-ST has granted approval to the Company to use the Company’s market capitalisation as at the previous financial year end instead of the Group’s consolidated net tangible assets (“**NTA**”) as the basis for computing the materiality thresholds in respect of Rules 905 and 906 of the Listing Manual, for so long as the Group’s NTA or net asset value (“**NAV**”) remains negative. The Group’s NTA and NAV are currently negative.

As explained in the October 2016 Announcement, (i) RH Petrogas Investments Pte. Ltd. (“**RHPI**”), the Company’s wholly owned subsidiary, intends to continue to provide interest-free shareholder loans (“**RHPI Loans**”) to RHP (Mukah) for the operational and capital expenditure requirements of RHP (Mukah), in proportion to its equity interest in RHP (Mukah) pursuant to the terms of the shareholders’ agreement between RHPI, Tumbuh Tiasa Enterprises Sdn. Bhd. (“**TTE**”) and RHP (Mukah) (the “**Shareholders’ Agreement**”), on terms and conditions which are similar to those RHPI Loans which had been disclosed in the October 2016 Announcement; (ii) the Company will announce any RHPI Loan which alone or which causes the aggregate value of all interested person transactions to amount to or exceed 3% of the Company’s market capitalisation; and (iii) in respect of any RHPI Loan which alone or which causes the aggregate value of all interested person transactions to amount to or exceed 5% of the Company’s market capitalisation, the Company intends to continue to rely on the exception under Rule 916(3) of the Listing Manual from the requirement to seek shareholders’ approval.

As explained in the September 2018 Announcement, based on the then estimation and assumptions and for the purposes of Rules 905 and 906 of the Listing Manual, the aggregate value of all interested person transactions (excluding transactions which are less than S\$100,000) with the Controlling Shareholders and their associates for the financial year ending 31 December 2018 (comprising the aggregate principal amount of all the RHPI Loans expected to be extended to RHP (Mukah) for the financial year ending 31 December 2018) was estimated to be approximately US\$3,749,000 (“**Estimated IPT**”).

For the purposes of Rules 905 and 906 of the Listing Manual, the actual aggregate value of all interested person transactions (excluding transactions which are less than S\$100,000) with the Controlling Shareholders and their associates for FY2018 is approximately US\$2,749,000 (“**Actual IPT**”), comprising the aggregate principal amount of all the RHPI Loans extended to RHP (Mukah) for

FY2018. The Actual IPT is lower than the Estimated IPT due to the deferment of the seismic work program to first quarter of 2019. There are no other interested person transactions (excluding transactions which are less than S\$100,000) for FY2018. Although the Actual IPT is lower than the Estimated IPT, this sum still exceeds 5% of the Company's market capitalisation as at 31 December 2017 and represents approximately 6.42% of the Company's market capitalisation as at 31 December 2017.

As explained, the Company intends to continue to rely on the exception under Rule 916(3) of the Listing Manual from the requirement to seek shareholders' approval.

AUDIT COMMITTEE'S STATEMENTS

In accordance with Rule 916(3) of the Listing Manual and as announced on September 2018 Announcement, the Audit Committee of the Company has reviewed the RHPI Loans and is of the view that:

- (a) the provision of such loans is not prejudicial to the interests of the Company and its minority shareholders; and
- (b) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the other Directors and Controlling Shareholders has any interest, direct or indirect, in the RHPI Loans.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
4 January 2019