

RH PETROGAS LIMITED
(Company Registration No.: 198701138Z)

EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors of RH Petrogas Limited (the “**Company**”) wishes to announce that the Company’s independent auditor, Ernst & Young LLP, has in its Independent Auditor’s Report, included an emphasis of matter in relation to the audited financial statements of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2020 (“**the Audited Financial Statements**”), an extract of which, together with the related Note 2 to the Audited Financial Statements, are set out in Appendix A to this announcement.

The opinion of the Company’s independent auditor however remains unqualified.

Shareholders of the Company are advised to read the Audited Financial Statements in the Company’s Annual Report 2020, which will be dispatched in due course. This announcement is made pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Chang Cheng-Hsing Francis
Group CEO & Executive Director
30 March 2021

APPENDIX A

Extract : Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RH Petrogas Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements. As at 31 December 2020, the Group's net current liabilities and the Company's net current assets are US\$14,536,000 and US\$3,736,000 respectively, and net liabilities are US\$30,758,000 and US\$2,815,000 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern. The ability of the Group to continue as a going concern depends on its ability to generate sufficient cash flow to meet the Group's short-term obligations as and when they fall due, and the financial support from a substantial shareholder to provide adequate funds to the Group till 30 June 2022 to meet the Group's working capital needs.

If the Group is unable to continue operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

Extract : Note 2 – Fundamental accounting concept

For the financial year ended 31 December 2020, whilst the Group generated positive operating cash flow of US\$9,021,000 (2019: US\$15,252,000), the Group recorded a net loss of US\$4,825,000 (2019: US\$1,286,000).

As at 31 December 2020, the Group's net current liabilities and the Company's net current assets are US\$14,536,000 (2019: US\$14,664,000) and US\$3,736,000 (2019: net current liabilities of US\$402,000) respectively, and net liabilities are US\$30,758,000 (2019: US\$26,006,000), and US\$2,815,000 (2019: US\$1,268,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concern.

Notwithstanding the above, the consolidated financial statements are prepared on a going concern basis as the Group believes that its business operations would be able to generate sufficient cash flow to meet its short-term obligations as and when they fall due. In addition, the Group has received a letter of financial support from a substantial shareholder to provide continuing financial support to the Group till 30 June 2022 to meet the Group's working capital needs.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.