

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2017 and 2016
(Expressed in thousands of United States dollars or unless otherwise stated)

	Notes	As of December 31, 2017	As of December 31, 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	8,752	5,844
Trade receivables		3,071	3,129
Inventories	4	1,394	927
Accrued Revenue		356	-
Insurance and other claims		99	7
Other receivables	9	1,978	1,446
Prepaid expenses		155	168
Total current assets		15,805	11,521
NON-CURRENT ASSETS			
Vessels, net	5	132,559	59,776
Vessels under construction	7	9,864	34,450
Seller's credit	6	2,000	2,000
Deferred charges, net	8	2,940	4,656
Total non-current assets		147,363	100,882
Total assets		163,168	112,403
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	10	5,224	1,968
Accrued liabilities	12	997	311
Current portion of long-term debt	11	7,943	7,266
Unearned revenue		552	227
Due to related parties	14	373	66
Dividends payable	13	60	-
Shareholders' loan		1,860	-
Other current liabilities		145	-
Total current liabilities		17,154	9,838
LONG-TERM LIABILITIES			
Long-term debt, net of current portion and deferred financing costs	11	68,003	21,947
Deferred gain on sale of vessel, net of current portion	6	923	1,581
Total long-term liabilities		68,926	23,528
Total liabilities		86,080	33,366
Commitments and Contingencies		-	-
SHAREHOLDERS' EQUITY			
Common stock (1,000 common shares with no par value, authorized and issued)		-	-
Additional paid-in capital		71,500	71,500
Preferred Stock		4,121	-
Retained earnings		1,467	7,537
Total shareholders' equity		77,088	79,037
Total liabilities and shareholders' equity		163,168	112,403

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AS AT DECEMBER 31, 2017 and 2016
(Expressed in thousands of United States dollars or unless otherwise stated)

		Year ended December 31, 2017	Year ended December 31, 2016
	Notes		
Operating revenue	18,19	28,780	33,958
Total operating revenue-net		28,780	33,958
Operating expenses			
Voyage expenses	21	(4,951)	(2,627)
Vessels' operating expenses	20	(16,501)	(15,224)
Depreciation	5	(4,853)	(4,983)
Amortization of deferred dry-docking and special survey costs	8	(1,857)	(1,589)
Impairment loss	5	(859)	(1,272)
Commissions		(795)	(617)
Management fees	14	(1,645)	(1,317)
General and administrative expenses		(170)	(511)
Charter hire expenses	6	(1,801)	(2,639)
Gain on sale of vessel	6	558	659
Net operating expenses		(32,874)	(30,120)
Operating (loss)/profit		(4,094)	3,838
Other income/ (expenses)			
Interest income		8	52
Interest expense		(1,633)	(253)
Other finance expenses		(244)	(86)
Other income, net		(23)	34
Total other expenses, net		(1,892)	(253)
(Loss)/Profit for the year		(5,986)	3,585
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(5,986)	3,585

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
AS OF DECEMBER 31, 2017 and 2016

(Expressed in thousands of United States Dollars unless otherwise stated)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained earnings	Total
As of January 1, 2016	-	-	68,750	7,169	75,919
Net profit for the year	-	-	-	3,585	3,585
Capital contributions	-	-	2,750	-	2,750
Dividends	-	-	-	(3,217)	(3,217)
As of December 31, 2016	-	-	71,500	7,537	79,037
As of January 1, 2017	-	-	71,500	7,537	79,037
Net loss for the year	-	-	-	(5,986)	(5,986)
Capital contributions	-	4,121	-	-	4,121
Dividends	-	-	-	(84)	(84)
As of December 31, 2017	-	4,121	71,500	1,467	77,088

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
AS OF DECEMBER 31, 2017 and 2016

(Expressed in thousands of United States Dollars unless otherwise stated)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Cash Flows from operating activities:			
Net (loss)/ profit for the year		(5,986)	3,585
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation	5	4,853	4,983
Amortization of deferred dry-docking and special survey costs	8	1,857	1,589
Impairment loss	5	859	1,272
Amortization of deferred financing costs		279	25
(Gain) on sale of vessels	6	(558)	(659)
Accounts receivable		58	1,219
Insurance and other claims		(92)	-
Prepaid expenses		13	545
Other receivables		(531)	(865)
Inventories		(467)	(19)
Accrued Revenue		(356)	-
Net receipts/ (payments) to related parties		321	(68)
Accounts payable		3,255	265
Accrued liabilities		686	(780)
Payments for dry dock and special survey costs	8	(668)	(1,987)
Unearned revenue		325	(490)
Other current liabilities		145	-
Net cash provided by operating activities		3,993	8,615
Cash Flows from investing activities:			
Net cash proceeds from sale of vessel		3,951	-
Payments for vessels under construction	7	(56,558)	(10,551)
Net cash used in investing activities		(52,607)	(10,551)
Cash flows from financing activities:			
Proceeds from bank borrowings		56,750	-
Repayment of bank borrowings	11	(10,154)	(6,306)
Capitalized finance costs		(874)	-
Deferred financing fees		(157)	-
Capital contributions		-	2,750
Preferred Shares		4,121	-
Dividends paid		(24)	(4,207)
Receipts from shareholders loan		1,860	-
Net Cash used in financing activities		51,522	(7,763)
Net (decrease)/increase in cash and cash equivalents			
		2,908	(9,699)
Cash and cash equivalents, beginning of year		5,844	15,543
Cash and cash equivalents, end of year		8,752	5,844