



Union Gas receives strong shareholder support for proposed upstream expansion into LPG bottling and storage business

- *Upon completion of the proposed acquisition, the Group will become one of the largest LPG players with the largest bottling operations in Singapore.*
- *Strategic upstream expansion of the Group's LPG business further strengthens its leading position with ownership and control of the whole LPG chain from procurement to bottling and from storage to wholesaling and retailing.*
- *Proposed acquisition broadens its customer base, is earnings accretive and expected to boost the Group's business and financial performance.*

SINGAPORE, 27 December 2021– Union Gas Holdings Limited (优联燃气控股有限公司) (“**Union Gas**”, the “**Company**” or together with its subsidiaries, the “**Group**”), an established provider of fuel products in Singapore, has received strong shareholder support for its proposed acquisition of Sembas (Asia) Trading Pte. Ltd., Semgas Supply Pte. Ltd., and Summit Gas Systems Pte. Ltd. (collectively, the “**Target Companies**”) from Union Energy Corporation Pte. Ltd. (“**UEC**”) with 99.97% of votes received in favour of the proposal at an Extraordinary General Meeting convened today.

As announced on 25 August 2021¹, the proposed acquisition will pave the way for the strategic upstream expansion of Union Gas’ liquefied petroleum gas (“**LPG**”) business segment into the bottling and storage business. This will lead to the integration of its operations from procurement of LPG to bottling, storage and retailing, which will enhance and strengthen its LPG offerings. This is expected to expand Union Gas’ current base of commercial and industrial customers and potentially extend the Group’s distribution of bottled LPG cylinders beyond its current retail customers into the wholesale space. Further, our operation will be expanded to include provision of bottling and refilling of LPG cylinders to non-affiliated entities.

Targeted to be completed by 31 December 2021, the proposed acquisition is at a consideration of S\$75.0 million (the “**Consideration**”) and involves the purchase of assets comprising two bottling

¹ SGX announcement dated 25 August 2021: <https://links.sgx.com/1.0.0/corporate-announcements/4IY7OPZ97HVZ7O5J/0bf6e4f6de55dde6e5e4fd68b4ada11ad761f24f0aac4db438c00493ffd48610>



plants and a sizeable amount of support infrastructure including six LPG storage depots, 71 delivery vehicles and an entire commercial and industrial LPG sales team. It will also give Union Gas ownership of two out of the four bottling licenses and bottling plants in Singapore, making the Group one of the largest LPG players with the largest bottling operations in the city-state.

The enlarged operation, broader customer base and control of an integrated supply chain is expected to increase the Group's productivity and ability to optimise the operational assets. The proposed acquisition is earnings accretive and expected to improve Union Gas' business and financial performance.

Union Gas Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: *"We want to thank shareholders for their strong support of the proposed acquisition, which is both strategic and complementary to our current LPG business. We are glad that shareholders recognised the long-term value and potential returns that the proposed acquisition will bring to the Group and look forward to the positive impact that we expect it to have on our performance. With control of the whole LPG chain, it gives us an enlarged platform to do more and grow more."*

As a strong indication of UEC's confidence in and commitment to the Group's business for the long term, the Consideration will be satisfied on a part cash, part shares basis with S\$61.0 million (or 81.3% of the Consideration) through the allotment of 88,649,905 ordinary shares of the Company at the issue price of S\$0.6881 per share². The remainder will be settled in cash via Union Gas' internal resources.

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² The issue price of S\$0.6881 per Consideration Share represents a discount of approximately 9.99% to the volume weighted average price of S\$0.7645 per share, based on trades in the Company's shares done on the SGX-ST on 24 August 2021 (being the last full market day prior to which the SPA was signed).



About Union Gas

Union Gas Holdings Limited (优联燃气控股有限公司) (“**Union Gas**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is an established provider of fuel products in Singapore with over 40 years of operating track record. Its three key businesses comprise Retail Liquefied Petroleum Gas (“**LPG**”), Natural Gas (“**NG**”), and Diesel.

Listed on the Mainboard of Singapore Exchange Securities Trading Limited, Union Gas is one of the leading suppliers of bottled LPG cylinders in Singapore under the established and trusted brand “Union”. The Group has a fleet of over 200 delivery vehicles serving more than 200,000 domestic households as well as commercial entities such as hawker centres, eating houses, coffee shops and commercial central kitchens island-wide. This extensive distribution capability is further supported by an in-house call centre that operates all year round with a customised customer relationship management system.

Union Gas sells and distributes diesel to retail customers at its “Cnergy” fuel station in 50 Old Toh Tuck Road and transports, distributes and bulk sells diesel to commercial customers. The Group also provides liquified NG and piped NG to commercial customers and distributes compressed NG primarily to natural gas vehicles via its fuel station as well as to industrial customers for their commercial use.

For more information, please visit www.uniongas.com.sg.

Issued for and on behalf of Union Gas Holdings Limited

August Consulting

Tel: 65 6733 8873

Wrisney Tan, wrisneytan@august.com.sg