APPENDIX DATED 11 JUNE 2020

This Appendix (as defined herein) is circulated to the shareholders of Union Gas Holdings Limited (the "**Company**") together with the notice of the Annual General Meeting and the accompanying proxy form. The purpose of this Appendix is to provide information to the Shareholders in relation to, and seek Shareholders' approval for the proposed renewal of, the general mandate for Interested Person Transactions to be tabled at the AGM (as defined herein) of the Company to be held on 26 June 2020 at 9.00 a.m. by electronic means.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist, Investment Banking, Singapore and Mr. Ken Lee, Associate Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01, Singapore Land Tower, Singapore 048623, Telephone: (65) 6337 5115.

UNION GAS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201626970Z)

APPENDIX TO NOTICE OF THE ANNUAL GENERAL MEETING

IN RELATION TO:

THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

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CONTENTS

	PAGE
DEFINITIONS	2
1. INTRODUCTION	6
2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE	7
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	8
4. ABSTENTION FROM VOTING	9
5. DIRECTORS' RECOMMENDATION	9
6. ACTIONS TAKEN BY SHAREHOLDERS	10
7. DIRECTORS' RESPONSIBILITY STATEMENT	11
8. DOCUMENTS AVAILABLE FOR INSPECTION	11
9. CAUTIONARY STATEMENT	12
ANNEX	13

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

COMPANIES AND PERSONS IN THE GROUP

"**Company**"	:	Union Gas Holdings Limited
"**Group**"	:	The Company, its subsidiaries and associated companies (if any)
"**Union Energy**"	:	Union Energy Pte. Ltd.
"**Union Gas**"	:	Union Gas Pte. Ltd.

COMPANIES IN THE UEC GROUP

"**Choon Hin**"	:	Choon Hin Gas Supply Pte. Ltd.
"**Gasmart**"	:	Gasmart Pte. Ltd.
"**Health Domain**"	:	Health Domain Pte. Ltd.
"**Sembas**"	:	Sembas (Asia) Trading Pte. Ltd.
"**Semgas Supply**"	:	Semgas Supply Pte. Ltd.
"**Semgas (S)**"	:	Semgas (S) Pte. Ltd.
"**Summit**"	:	Summit Gas Systems Pte. Ltd.
"**UEC**"	:	Union Energy Corporation Pte. Ltd.
"**UEC Group**"	:	UEC and its subsidiaries
"**Union Power**"	:	Union Power Pte. Ltd.
"**United Gas**"	:	United Gas Pte. Ltd.

GENERAL

"**Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"**AGM**"	:	Annual general meeting
"**Appendix**"	:	This appendix to Shareholders dated 11 June 2020
"**Audit Committee**"	:	The audit committee of the Company as at the date of this Appendix comprising Mr. Loo Hock Leong, Mr. Heng Chye Kiou and Mr. Lim Chwee Kim

"**Board**"	:	The board of directors of the Company as at the date of this Appendix
"**CAO**"	:	Chief Accounting Officer or equivalent of the Company
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist as may be amended from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**CEO**"	:	Chief Executive Officer or equivalent of the Company
"**CFO**"	:	Chief Financial Officer or equivalent of the Company
"**CPF**"	:	Central Provident Fund
"**Directors**"	:	Directors of the Company as at the date of this Appendix
"**EGM**"	:	Extraordinary General Meeting
"**FY2019**"	:	The financial year ended 31 December 2019
"**Independent Directors**"	:	The Directors who are considered to be independent for the purposes of making a recommendation to the Shareholders in respect of the proposed renewal of the IPT General Mandate comprising Mr. Loo Hock Leong, Mr. Heng Chye Kiou and Mr. Lim Chwee Kim
"**interested person transaction(s)**" or "**IPT(s)**"	:	Interested person transactions (within the meaning of Chapter 9 of the Catalist Rules) entered or to be entered between an entity at risk and an interested person
"**IPT General Mandate**"	:	The general mandate from Shareholders obtained by the Company at the 2019 AGM pursuant to Chapter 9 of the Catalist Rules, permitting the Group to enter into the certain transactions with the Mandated Interested Persons, and for which renewal is now being sought at the 2020 AGM
"**IPT Register**"	:	The IPT register maintained by the Company, containing the names and details of both the Mandated Interested Person(s) and the interested person transaction(s), including any quotations obtained from unrelated parties to support the terms of the interested person transaction(s)
"**IRAS**"	:	Inland Revenue Authority of Singapore
"**IT**"	:	Information Technology

"**Latest Practicable Date**"	:	29 May 2020, being the latest practicable date prior to the printing of this Appendix
"**Mandated Interested Person**"	:	UEC Group, including Choon Hin, Gasmart, Health Domain, Sembas, Semgas (S), Semgas Supply, Summit, United Gas, and Union Power
"**Mandated Transactions**"	:	Transactions with the Mandated Interested Persons which will be covered by the IPT General Mandate as described in Section 2.1 of Annex A
"**NTA**"	:	Net tangible assets
"**Offer Document**"	:	The offer document dated 13 July 2017 issued by the Company in respect of the invitation by the Company to the public in Singapore to subscribe for and/or purchase Shares, subject to and on the terms and conditions set out in the offer document
"**Ordinary Resolution**"	:	A resolution proposed and passed as such by a majority consisting more than 50% of the total number of votes cast for and against such resolution at a meeting of Shareholders
"**Register of Directors' Shareholdings**"	:	The register maintained by the Company setting out details of the Directors and their respective shareholdings
"**Registration Deadline**"	:	9.00 a.m. on 23 June 2020
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Persons (other than CDP) who are for the time being registered as holders of Shares in the register of members maintained by the Company and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Ordinary shares in the issued share capital of the Company
"**Share Registrar**"	:	Boardroom Corporate & Advisory Services Pte Ltd
"**SRS**"	:	Supplementary Retirement Scheme
"**2019 AGM**"	:	The annual general meeting of the Company held on 25 April 2019
"**2020 AGM**"	:	The annual general meeting of the Company to be held on 26 June 2020

"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**%**" or "**per cent.**"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81 SF of the SFA.

The terms "**associates**" and "**controlling shareholders**" shall have the meanings ascribed to them respectively in the Catalist Rules.

The terms "**subsidiaries**", "**Substantial Shareholders**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Act.

Except where specifically defined, the terms "**we**", "**us**" and "**our**" in this Appendix refer to the Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date unless otherwise stated.

UNION GAS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201626970Z)

Directors:

Mr. Teo Kiang Ang (Non-Executive Chairman)
Mr. Teo Hark Piang (Executive Director and Chief Executive Officer)
Mr. Loo Hock Leong (Lead Independent Director)
Mr. Lim Chwee Kim (Independent Director)
Mr. Heng Chye Kiou (Independent Director)

Registered Office:

3 Lorong Bakar Batu #07-04
Union Industrial Center
Singapore 348741

11 June 2020

To: The Shareholders of Union Gas Holdings Limited

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

1.1 On 25 April 2019, the Company obtained the approval of the Shareholders for the adoption of the IPT General Mandate. The IPT General Mandate is subject to annual renewal and will expire at the forthcoming AGM to be held on 26 June 2020 (the "**2020 AGM**").

1.2 Pursuant to Chapter 9 of the Catalist Rules, the Directors intend to seek Shareholders' approval at the 2020 AGM for the renewal of the IPT General Mandate, being a general mandate permitting the Company, its subsidiaries and associated companies to enter into transactions with the Interested Persons, and, if approved, continue to be in force until the next AGM of the Company is held or is required by law to be held, whichever is the earlier (unless revoked or varied by the Company in a general meeting).

1.3 The purpose of this Appendix is to provide Shareholders with the relevant information relating to and explaining the rationale for the proposed renewal of the IPT General Mandate and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the AGM.

1.4 Shareholders should read this Appendix carefully and consider the recommendation of the Directors in Section 5 of this Appendix.

2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

2.1 Background

At the Annual General Meeting of the Company held on 25 April 2019 (the "**2019 AGM**"), Shareholders approved, *inter alia*, a mandate (the "**IPT General Mandate**") to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" (as that term is defined in Chapter 9 of the Catalist Rules) to enter into certain interested person transactions with the classes of interested persons (the "**Mandated Interested Persons**") as set out in the IPT General Mandate.

The IPT General Mandate enables the Company, its subsidiaries and its associated companies which are considered to be "entities at risk" within the meaning of Rule 904 of the Listing Manual of the SGX-ST (the "**Listing Manual**") to enter into any of the transactions falling within the types of interested person transactions described in the IPT General Mandate (the "**Mandated Transactions**"), with any interested person described in the IPT General Mandate, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company or its minority Shareholders, and are made in accordance with the review procedures for interested person transactions as set out in the IPT General Mandate.

The rationale of the IPT General Mandate, the scope of the IPT General Mandate, the benefit to Shareholders, the Interested Persons, the particulars of the Interested Person Transactions and the review procedures for the IPTs in respect of which the IPT General Mandate sought to be renewed remain unchanged from that described in the 2019 Appendix. Further details of the IPT General Mandate are set out in the Annexure to this Appendix.

2.2 Renewal of the IPT General Mandate

The Directors propose that the IPT General Mandate be renewed at the 2020 AGM to take effect until the next AGM of the Company. There is no change to the scope and terms of the IPT General Mandate which is proposed to be renewed.

2.3 The Annex

Details of the IPT General Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with the Interested Persons and other general information relating to Chapter 9 of the Catalist Rules, are set out in the Annex to this Appendix.

2.4 Audit Committee Statement

Pursuant to Rule 920(1) of the Catalist Rules, the Audit Committee of the Company, comprising Loo Hock Leong, Lim Chwee Kim and Heng Chye Kiou, confirms that:

(a) the method or procedures for determining the transaction prices of the IPTs set out in the Annex to this Appendix ("**Review Procedures**") have not changed since Shareholders approved the IPT General Mandates at the 2019 AGM; and

(b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Interests of Directors

The interests (both direct and indirect interests) of the Directors in the issued share capital of the Company, as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date, are as follows:

Name of Director	Direct Interest	Deemed Interest
Shares of the Company		
Teo Kiang Ang[(1), (2)]	67,813,500	34,989,964
Teo Hark Piang	25,479,500	–
Loo Hock Leong	–	–
Lim Chwee Kim	400,000	–
Heng Chye Kiou	–	–

Notes:–

(1) Mr. Teo Kiang Ang, who is the non-executive Chairman of the Company, is the father of Mr. Teo Hark Piang, who is an Executive Director and the CEO of the Company.

(2) Mr. Teo Kiang Ang is deemed interested in (i) 6,127,100 Shares held by LK Tang Pte. Ltd., which is 100% owned by Mr. Teo Kiang Ang; (ii) 24,329,430 Shares held by UEC, which is 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang, and (iii) 4,533,434 Shares held by Semgas Supply Pte. Ltd., which is 100% owned by UEC, which is in turn 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang.

3.2 Interests of Substantial Shareholders

As of the Latest Practicable Date, the shareholding of the Substantial Shareholders are as follows:–

	Direct Interest	%	Deemed Interest	%	Total	%
Teo Kiang Ang[(1)]	67,813,500	29.63	34,989,964[(3)]	15.29	102,803,464	44.91
Teo Hark Piang[(2)]	25,479,500	11.13	–	–	25,479,500	11.13
Union Energy Corporation Pte. Ltd.	24,329,430	10.63	4,533,434[(4)]	1.98	28,862,864	12.61
Ellen Teo Soak Hoon	10,563,002	4.61	4,385,398[(5)]	1.92	14,948,400	6.53

Notes:–

(1) Mr. Teo Kiang Ang is the Non-executive Chairman and controlling shareholder of the Company.

(2) Mr. Teo Hark Piang the executive director and chief executive officer of the Company, is the son of Mr. Teo Kiang Ang, the Non-executive Chairman and controlling shareholder of the Company.

(3) Mr. Teo Kiang Ang is deemed interested in (i) 6,127,100 Shares held by LK Tang Pte. Ltd., which is 100% owned by Mr. Teo Kiang Ang; (ii) 24,329,430 Shares held by UEC, which is 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang, and (iii) 4,533,434 Shares held by Semgas Supply Pte. Ltd., which is 100% owned by UEC, which is in turn 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang.

(4) UEC is deemed interested in 4,533,434 Shares held by Semgas Supply Pte. Ltd. through its 100% shareholding in Semgas Supply Pte. Ltd.

(5) Ms. Ellen Teo Soak Hoon is deemed interested in 4,385,398 Shares held by BCGM Limited through her 50% shareholding in BCGM Limited.

3.3 **Interests of Directors and Substantial Shareholder(s) in the IPT General Mandate**

As at the Latest Practicable Date:

(a) the Non-executive Chairman of the Company, Mr. Teo Kiang Ang, is a director of UEC and has an equity interest of approximately 61.89% in UEC;

(b) the Executive Director and CEO, Mr. Teo Hark Piang, has an equity interest of approximately 12.55% in UEC; and

(c) Ms. Ellen Teo Soak Hoon, a Substantial Shareholder of the Company, has an equity interest of approximately 12.55% in UEC,

UEC, a Substantial Shareholder as set out in Section 3.2 above, is the shareholder of the Mandated Interested Persons, which, at the Latest Practicable Date include Choon Hin, Gasmart, Health Domain, Sembas, Semgas (S), Semgas Supply, Summit, United Gas, and Union Power.

Save as disclosed above, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the IPT General Mandate.

4. ABSTENTION FROM VOTING

Rule 919 of the Catalist Rules requires that interested persons and their associates must not vote on any Shareholders' resolutions relating to the proposed interested person transactions. In view of the foregoing, Mr. Teo Kiang Ang, Mr. Teo Hark Piang, and UEC will abstain and shall procure that their respective associates will abstain, from voting on resolutions at the 2020 AGM approving the proposed renewal of the IPT General Mandate.

In addition, each of Mr. Teo Kiang Ang, Mr. Teo Hark Piang, and their respective associates, as well as the authorized representative(s) of UEC, shall not accept nomination as proxies or otherwise vote at the 2020 AGM in respect of the resolutions in relation to ordinary resolution no. 10 (being the ordinary resolution relating to the proposed renewal of the IPT General Mandate), unless specific instructions as to voting are given.

5. DIRECTORS' RECOMMENDATION

Mr. Teo Kiang Ang and Mr. Teo Hark Piang shall abstain from making any recommendations on the proposed renewal of the IPT General mandate to be tabled at the 2020 AGM. They will also not accept appointments as to proxies for voting in respect of ordinary resolution no. 10 (being the ordinary resolution relating to the proposed renewal of the IPT General Mandate), unless specific instructions as to voting are given.

Save as disclosed above, none of the Directors is deemed to be interested for the purpose of making a recommendation to the Shareholders in respect of the proposed renewal of the IPT General Mandate.

The Directors (save for Mr. Teo Kiang Ang and Mr. Teo Hark Piang), having considered, inter alia, the terms, rationale and benefits of the proposed renewal of the IPT General Mandate, the review procedures of the Company for the Interested Person Transactions and the role of the Audit Committee in enforcing the IPT General Mandate, are of the view that the guidelines and method or procedures for determining transaction prices of the Interested Person Transactions as set out in Annex to this Appendix, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Directors (save for Mr. Teo Kiang Ang and Mr. Teo Hark Piang) recommend that Shareholders vote in favour of ordinary resolution no. 10 (being the ordinary resolution relating to the proposed renewal of the IPT General Mandate) set out in the Notice of AGM.

6. ACTIONS TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, shareholders will not be allowed to attend the AGM. Instead, alternative arrangements have been put in place to allow shareholders to participate at the AGM by (a) watching the AGM proceedings via live webcast or listening to the AGM proceedings via live audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. Please see paragraphs 6.1 to 6.3 below for these alternative arrangements.

The Company would remind shareholders that, with the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are encouraged to check the Company's announcement regularly for any updates on the AGM.

6.1 To vote at the virtual AGM

Shareholders (whether individual or corporate) who wish to exercise their votes must submit their instrument appointing the Chairman of the Meeting ("**Proxy Form**") to vote on their behalf.

Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The completed and signed Proxy Form can be submitted to the Company in hard copy form or by email:

(a) if the Proxy Form is in hard copy and sent personally or by post, to the Share Registrar's office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or

(b) if by email, the Proxy Form must be received by the Company at srs.teamc@boardroomlimited.com.

in either case, by 9.00 a.m. on 23 June 2020.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms personally or by post, members are strongly encouraged to submit the completed Proxy Forms electronically via email.

The Proxy Form can also be downloaded from the Company's website at http://forms.uniongas.com.sg/downloads/uniongas-proxy-2020.pdf or SGX website at https://www.sgx.com/securities/company-announcements.

Supplementary Retirement Scheme ("**SRS**") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by 9.00 a.m. on 16 June 2020.

6.2 **Registration for the live webcast**

Shareholders will be able to watch the AGM proceedings through a live webcast via their mobile phones, tablets or computers or listen to the AGM proceedings through a live audio feed via telephone. In order to do so, shareholders must follow these steps:

(a) shareholders who wish to watch the live webcast or listen to the live audio feed must pre-register at http://forms.uniongas.com.sg by **9.00 a.m. on 23 June 2020** (the "**Registration Deadline**").

(b) shareholders who have registered by the Registration Deadline but do not receive an email by 9.00 a.m. on 25 June 2020 should contact the Company's Share Registrar at email address srs.teamc@boardroomlimited.com or call the general telephone number at +65 6536 5355 between 10.00 a.m. to 4.00 p.m. for assistance.

The Company advises all shareholders to register as early as possible.

6.3 **Submission of Questions**

Shareholders who pre-register to watch the live webcast or listen to the live audio feed may also submit questions related to the AGM to http://forms.uniongas.com.sg. All questions must be submitted by the Registration Deadline.

Please note that shareholders will not be able to ask questions "live" during the webcast and via the audio feed. It is therefore important for shareholders to pre-register their participation and submit their questions early.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT General Mandate, and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Due to the current COVID-19 restriction orders in Singapore, the following documents will NOT be available for inspection by Shareholders at the registered office of the Company:

(a) the constitution of the Company; and

(b) the annual report of the Company for FY2019.

Shareholders may inspect the above documents by sending a request to the Company at ir@uniongas.com.sg from the date of this Appendix up to and including the date falling three (3) months from the date of the 2020 AGM.

9. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

Yours faithfully

For and on behalf of
the Board of Directors of
UNION GAS HOLDINGS LIMITED

Teo Hark Piang
Executive Director and Chief Executive Officer

ANNEX

THE IPT GENERAL MANDATE

1. CHAPTER 9 OF THE CATALIST RULES

1.1 Background

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "entity at risk") enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

For the purpose of Chapter 9:

(a) an "**entity at risk**" means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

(b) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(c) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Catalist Rules;

(d) an "**interested person**" means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;

(e) a "**primary interested person**" means a director, chief executive officer or controlling shareholder of a listed company;

(f) a "**controlling shareholder**" is a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in a listed company (unless otherwise excepted by SGX-ST) or in fact exercises control over the listed company;

(g) a "**controlling shareholder**" is a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in a listed company (unless otherwise excepted by SGX-ST) or in fact exercises control over the listed company;

(h) an "**associate**" in relation to any director, chief executive officer or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, stepchild, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "**associate**" in relation to a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(i) an "**interested person transaction**" means a transaction between an entity at risk and an interested person and includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly; and

(j) in interpreting the term "**same interested person**" for the purpose of aggregation in Rules 905, 906 and 907, the following applies:

(i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (I) an entity at risk and a primary interested person; and (II) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person;

(ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

(iii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different.

1.2 **Financial Thresholds**

1.2.1 Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9, an immediate announcement and/or shareholders' approval would be required in respect of these transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

1.2.2 In particular, an immediate announcement is required where:

(a) the value of a proposed transaction is equal to or more than 3% of the listed group's latest audited consolidated NTA ("**Threshold 1**"); or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 1. In this instance, an announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

1.2.3 Shareholders' approval (in addition to an immediate announcement) is required where:

(a) the value of a proposed transaction is equal to or exceeds 5% of the listed group's latest audited consolidated NTA ("**Threshold 2**"); or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 2. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by shareholders.

1.2.4 The abovementioned requirements for immediate announcement and shareholders' approval do not apply to any transaction below S$100,000. However, while transactions below S$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Catalist Rules and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

1.3 **Illustration**

Based on the Group's latest audited accounts for FY2019, the Group's latest audited consolidated NTA as at 31 December 2019 was approximately S$27.96 million. Accordingly, in relation to the Group, for the purpose of Chapter 9 for the current financial year, Shareholders' approval is required where:

(a) the transaction is of a value equal to, or more than, approximately S$1.40 million, being 5% of the Group's latest audited consolidated NTA as at 31 December 2019; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, approximately S$1.40 million being 5% of the Group's latest audited consolidated NTA as at 31 December 2019. The aggregation will exclude any transaction that had been approved by the Shareholders previously, or is the subject of aggregation with another transaction that had been approved by the Shareholders.

The provisions above exclude transactions below S$100,000 in value.

1.4 **General Mandate**

Chapter 9 of the Catalist Rules permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons

2. THE IPT GENERAL MANDATE

2.1 Mandated Interested Persons

2.1.1 The IPT General Mandate will apply to the Group's transactions with the Mandated Interested Persons. The Mandated Interested Persons are:

(a) Choon Hin;

(b) Gasmart;

(c) Health Domain;

(d) Sembas;

(e) Semgas Supply;

(f) Semgas (S);

(g) Summit;

(h) United Gas; and

(i) Union Power.

2.1.2 Transactions with Mandated Interested Persons which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules.

2.2 Mandated Transactions under the IPT General Mandate

2.2.1 The transactions with the Mandated Interested Persons which will be covered by the IPT General Mandate (the "**Mandated Transactions**") relate to the provision to, or the obtaining from, the Mandated Interested Persons of recurrent transactions (such as the purchase and sale of products and services in the normal course of the Company's business) of a revenue or trading nature or which are necessary for the Company's day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of the Company's day-to-day operations) comprising the following:

(a) provision of maintenance services by Mandated Interested Persons to the Group in relation to:

(i) the repair and maintenance of lorries; and

(ii) the provision and installation of all spare parts on the lorries (including but not limited to tyres, bolts and nuts for lorries),

for which the cost of all maintenance services shall be capped at the cost of maintaining two (2) mechanics on a cost recovery basis while the cost of spare parts shall be capped at cost recovery plus mark-up of 5%;

(b) sale of diesel at the Group's fuel station from the Group to Mandated Interested Persons;

(c) the sale of diesel in bulk by the Group to Mandated Interested Persons

(d) the purchase of electricity by the Group from Mandated Interested Persons;

(e) the provision of maintenance and support services by Mandated Interested Persons to any member of the Group, in respect of equipment necessary in the course of business of the Group, such as the LPG manifold systems, cylinders, stoves and pipes.

(f) the provision of delivery services by Mandated Interested Persons to the Group, for the purposes of transporting LPG Products necessary in the course of the business of the Group;

(g) provision of IT infrastructure services to Sembas; and

(h) purchase of health products by the Group from Health Domain.

2.2.2 For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate. The IPT General Mandate will also not cover any transaction by the Group with the Mandated Interested Persons that has a value below S$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions.

2.2.3 Transactions with other interested persons (other than the Mandated Interested Persons) that do not fall within the ambit of the IPT General Mandate will be subject to the relevant provision of Chapter 9 of the Catalist Rules and/or applicable provisions of the Catalist Rules and/or any applicable law. Transactions conducted under the IPT General Mandate are not subject to Rule 905 and 906 of Chapter 9 of the Catalist Rules pertaining to threshold and aggregation requirements.

2.3 **Rationale for and Benefits of the IPT General Mandate**

2.3.1 The Mandated Transactions are transactions entered into between the Group and the Mandated Interested Persons in the ordinary course of business. Such transactions will recur frequently and the Directors are of the view that it will be beneficial to the Group to continue to transact with the Mandated Interested Persons as the Group derives synergy and benefits from these transactions.

2.3.2 The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions arise with the Mandated Interested Persons, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

2.3.3 In addition, the IPT General Mandate is intended to give the Group the flexibility to enter into and facilitate transactions with the specified Mandated Interested Persons in the ordinary course of the Group's business without the need to seek Shareholders' approval each time, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. This is expected to enhance the Group's ability to pursue business opportunities of a revenue or trading nature which are time sensitive, and will substantially reduce the expenses associated with the convening of such general meetings from time to time, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

2.3.4 In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will:-

(a) disclose in the Company's annual report the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force);

(b) announce the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report; and

(c) present the disclosures of transactions conducted with the Mandated Interested Persons in the form set out in Rule 907 of the Catalist Rules.

2.4 **Review Procedures for the IPT General Mandate**

2.4.1 The Group has established procedures to ensure that the Mandated Transactions with the Mandated Interested Persons are undertaken on normal commercial terms, and are consistent with the Group's usual policies and practices and are not prejudicial to the interests of the Company and its minority Shareholders.

(a) Provision of maintenance services by Mandated Interested Persons to the Group in relation to:

(i) the repair and maintenance of lorries; and

(ii) the provision and installation of all spare parts on the lorries (including but not limited to tyres, bolts and nuts for lorries),

for which the cost of all maintenance services shall be capped at cost of maintaining two (2) mechanics on a cost recover basis while the cost of spare parts shall be capped at cost recovery plus mark-up of 5%

Cost of Maintenance Staff

The cost of maintaining two (2) mechanics (the "**Maintenance Staff**") shall be subject to applicable yearly increment and variable bonuses as may be generally applicable to employees of the relevant Mandated Interested Person. On a yearly basis, the Company shall determine whether the salary and terms (including the yearly increment and variable bonuses) offered by the Mandated Interested Person to the Maintenance Staff are fair and reasonable, taking into account factors such as the experience, expertise, quality, education, and performance reviews.

As part of its review process, the Company shall also obtain from the relevant Mandated Interested Person information relating to the salary it pays its employees in a similar role and with similar expertise and experience to determine whether the salary and terms (including the yearly increment and variable bonuses) offered to the Maintenance Staff are comparable to those offered by the relevant Mandated Interested person to other employees with similar expertise and experience.

In the event that such information cannot be obtained from the relevant Mandated Interested Person (for instance, if there are no employees of the relevant Mandated Interested Person of similar experience and expertise), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no

interest, direct or indirect in the transaction) will determine whether the salary and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices or industry norms, and taking into account factors such as, but not limited to, requirements, quality, experience and expertise, education, and performance reviews.

Cost of Spare Parts

The cost of spare parts in relation to the provision of maintenance services by Mandated Interested Persons to the Group shall be capped at cost recovery plus mark-up of 5%. Information in relation to the cost incurred shall be provided by the relevant Mandated Interested Person and shall be compared against quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar spare part as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable, comparable and not less favourable to those offered by other unrelated third parties for the same or substantially similar spare part. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the materials used and any other costs in relation to and necessary for the Mandated Interested Persons to properly provide the spare parts, will also be taken into account.

In the event that such quotations from unrelated third party suppliers cannot be obtained (for instance, if there are no unrelated third party suppliers providing similar spare parts), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the materials used and any other costs in relation to and necessary for the Mandated Interested Person to provide the spare parts, will also be taken into account.

(b) Sale of diesel at the Group's fuel station from the Group to the Mandated Interested Persons

The sale of diesel at the Group's fuel station to Mandated Interested Persons are to be carried out in accordance with the Group's usual business policies and practices, at the prevailing market rates publicly displayed at the Group's fuel station for the same or substantially similar type of transactions, and on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

In the event where the prevailing market rates or prices or comparable transactions are not available due to the nature of the transaction, the CFO and a senior executive in the Group designated by the Audit Committee (both of whom must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable, taking in account factors such as, but not limited to, the Group's then-prevailing capacity and resources, profit margins, rationale for and benefits of the transaction and industry terms and practices (if applicable).

(c) The sale of diesel in bulk by the Group to Mandated Interested Persons

The sale of diesel in bulk by the Group to Mandated Interested Persons are to be carried out in accordance with the Group's usual business policies and practices, consistent with the usual margins or at the prevailing market rates for the same or substantially similar type of transactions, and on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/ discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

Where possible and practicable, the Company will make comparisons with at least two (2) other recent contracts or invoices issued to unrelated third parties for the same or substantially similar types of transactions. In the event where the prevailing market rates or prices or comparable transactions are not available due to the nature of the transaction, the CFO and a senior executive in the Group (both of whom must have no interest, direct or indirect, in the transaction) will determine whether the prices and terms offered to the Mandated Interested Persons are fair and reasonable taking in account factors such as, but not limited to, the Group's then-prevailing capacity and resources, profit margins, rationale for and benefits of the transaction, industry terms and practices (if applicable), and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

(d) Purchase of electricity by the Group from Mandated Interested Persons.

The purchase of electricity from Mandated Interested Persons is to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar electricity consumption, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar electricity consumption. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, quality and consistency of service in relation to the provision of electricity, experience and expertise and where applicable, preferential rates, rebates or discounts accorded for large purchases of electricity, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers are not available due to the nature of the transaction, the Group will obtain two (2) recent quotations (wherever possible or available) from the Mandated Interested Person for similar quantities of electricity provided by the Mandated Interested Person to their unrelated third party customers, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable and comparable to those offered by the Mandated Interested Person to other unrelated third party customers for the same or substantially similar quantities of electricity. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, profit margins, quality and consistency of service in relation to the provision of electricity, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for large purchases of electricity, will also be taken into account.

In the event that such quotations from the Mandated Interested Persons' unrelated third party customers from cannot be obtained (for instance, if there are no unrelated third party customer of the Mandated Interested Person of similar products), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, requirements and specifications, quality and consistency of service in relation to the provision of electricity, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for large purchases of electricity, will also be taken into account.

(e) The provision of maintenance and support services by Mandated Interested Persons to any member of the Group, in respect of equipment necessary in the course of business of the Group, such as the LPG manifold systems, cylinders, stoves and pipes.

The provision of maintenance and support service by Mandated Interested Persons to any member of the Group is to be carried out by comparing against quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar provider of maintenance and support service, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar maintenance and support service. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the cost of the personnel engaged to provide such services, the materials used, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers are not available due to the nature of the transaction, if applicable, the Company will procure that the Mandated Interested Person provides and/or the Company will obtain two (2) recent quotations (wherever possible or available) for the provision of similar maintenance and support services provided by the Mandated Interested Person to its unrelated third party customers, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered to the Mandated Interested Person are fair, reasonable, comparable and not more favourable to those offered by the Mandated Interested Person to other unrelated third party customers for the same or substantially similar maintenance and support services. In determining whether the price and terms offered to the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the cost of the personnel engaged to provide such services, the materials used, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

In the event that such quotations cannot be obtained (for instance, if there are no unrelated third party suppliers for the same or substantially similar provider of maintenance and support services), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the cost of the personnel engaged to provide such services, the materials used, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

(f) The provision of delivery services by Mandated Interested Persons to the Group, for the purposes of transporting LPG Products necessary in the course of the business of the Group

While the Group has the personnel and capability to provide delivery services for its LPG Products necessary in the course of the business of the Group, it may, from time to time, enter into transactions with Mandated Interested Persons for the Mandated Interested Person to provide delivery services as and when it experiences temporary shortages of delivery personnel or have to make urgent delivery services.

No review procedures shall be applicable if the price quoted by the Mandated Interested Person is equals to or is less than the Group's cost of delivery (had it performed the delivery service itself) plus a mark-up of 5%.

In the event that the price quoted by the Mandated Interested Person exceeds the Group's cost of delivery plus a mark-up 5%, such quote shall be compared against quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar provider for delivery services, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable, and comparable to those offered by other unrelated third parties for the same or substantially similar delivery service. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the cost of the personnel engaged to provide such services, the urgency of the request, the size of the delivery, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers are not available due to the nature of the transaction, if applicable, the Company will procure that the Mandated Interested Person provides and/or the Company will obtain two (2) recent quotations (wherever possible or available) for the provision of similar delivery services provided by the Mandated Interested Person to its unrelated third party customers, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable, comparable and comparable to those offered by the Mandated Interested Person to other unrelated third party customers for the same or substantially similar delivery services. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the cost of the personnel engaged to provide such services, the urgency of the request, the size of the delivery, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

In the event that such quotations issued to unrelated third party customers of the Mandated Interested Person cannot be obtained (for instance, if there are no unrelated third party customers of the Mandated Interested Person of similar delivery services), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered to the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the cost of the personnel engaged to provide such services, the materials used, and any other costs in relation to and necessary for the Mandated Interested Person to properly render the services, will also be taken into account.

(g) Provision of IT infrastructure services to Sembas

In connection with the provision of IT Infrastructure services by the Group to Sembas, Union Energy had entered into a framework agreement with Sembas to provide back-end IT services which commenced on 1 May 2017.

Under the terms of the framework agreement, Sembas shall pay to the Group service fees for the IT Infrastructure services on a cost recovery plus mark-up basis. In assessing the costs incurred for the provision of such services, the Group shall take into account all costs directly incurred by the Group to maintain the IT Infrastructure, including the cost of purchasing the IT Infrastructure, equipment and spare parts, the cost of financing the purchase of such equipment (if any), the cost of the personnel engaged to provide such services, and any other costs in relation to and necessary for the Group to properly render the services. In determining the mark up, the Group shall refer to the transfer pricing guidelines issued by IRAS for the provision of routine support services to related parties. Based on the fifth edition of the transfer pricing guidelines published by IRAS on 23 February 2019, the mark up is 5%.

(h) Purchase of Health Products by the Group from Health Domain

The Group may from time to time purchase health products from Health Domain. All transactions with Mandated Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for the same or substantially similar quantities and/or quality of products, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, quality, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers cannot be obtained (for instance, if there are no unrelated third party vendors of similar products), the Company will obtain two (2) recent quotations (wherever possible or available) from Health Domain for similar quantities and/or quality of products provided by Health Domain to their unrelated third party customers, prior to the entry into the transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair, reasonable and comparable to those offered by Health Domain to other unrelated third party customers for the same or substantially similar

type of products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, requirements and specifications, profit margins, quality, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such quotations from Health Domain's unrelated third party customers cannot be obtained (for instance, if there are no unrelated third party customers of Health Domain of similar products), the CFO and a senior executive of the Group designated by the Audit Committee (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, requirements and specifications, quality, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

2.5 **Scope and Validity Period of the IPT General Mandate**

2.5.1 The IPT General Mandate will not cover any transaction that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.

2.5.2 Transactions with a Mandated Interested Person which do not fall within the ambit of the IPT General Mandate, will be subject to the relevant provisions of Chapter 9 of the Catalist Rules, and/or other applicable provisions of the Catalist Rules and/or the Act, if any.

2.5.3 If approved at the 2020 AGM, the IPT General Mandate will take effect from the date of the passing of the ordinary resolution to be proposed at the 2020 AGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the subsequent AGM of the Company.

2.5.4 Approval from Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions with the Mandated Interested Persons.

2.6 **APPROVAL THRESHOLD**

2.6.1 In addition to the review procedures, the following thresholds will apply to the Mandated Transactions:

(a) where the value of each Mandated Transaction is less than 3% of the Group's latest audited NTA, such transaction will be reviewed and approved by the CFO who is not related to the Mandated Interested Person(s) from time to time for such purpose, and tabled for review by the Audit Committee on a quarterly basis; and

(b) where the value of each Mandated Transaction is greater than or equal to 3% of the Group's latest audited NTA, such transaction will be reviewed and approved by the CFO and the Audit Committee, all of whom are not related to the Mandated Interested Person(s).

2.6.2 The above approval thresholds are adopted after taking into account, amongst other things, the nature, volume, recurrent frequency and transaction size as well as the Group's day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the review procedures to be implemented for the Mandated Transactions.

2.6.3 Any of the persons referred to above may request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or obtaining of valuations from independent professional valuers, as he deems fit.

2.6.4 If any of the persons referred to above has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by such other senior executive of the Group as designated by the Audit Committee.

2.6.5 If a member of the Audit Committee has an interest in any Mandated Transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to the Mandated Transaction, and the review and approval of that Mandated Transaction will be undertaken by the remaining members of the Audit Committee.

2.7 **Other Monitoring and Review Procedures**

2.7.1 The following monitoring and review procedures will also be implemented in relation to all interested person transactions (including the Mandated Transactions):

2.7.2 The Group will maintain a register of all interested person transactions, including the Mandated Transactions (the "**IPT Register**"). The IPT Register shall include information pertinent to all the interested person transactions, such as, but not limited to, the nature of the interested person transactions, the details of the interested person transactions, the rationale for entering into such transactions, the basis (as well as the supporting documents) for determining the transaction prices and material terms and conditions.

2.7.3 The IPT Register shall be prepared, maintained and monitored by the CAO, who shall not be interested in any of the interested person transactions and who is duly delegated to do so by the Audit Committee. The Company will obtain signed declarations from all Directors and executive officers on an annual basis with respect to their interest in any transactions with the Group.

2.7.4 Separate from the Audit Committee's requirement to approve interested person transactions submitted to it, the Audit Committee will, on a quarterly basis, review the transactions in the IPT Register, to (i) in respect of interested person transactions excluding the Mandated Transactions, ensure that such interested person transactions are entered into taking into account the review procedures for other interested person transactions as previously set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for Other Interested Person Transactions" of the Company's offer document dated 13 July 2017; (ii) in respect of the Mandated Transactions, ensure that the methods and procedures established under the IPT General Mandate have been complied with, and the relevant approvals have been obtained; and (iii) determine if the methods and procedures established under the IPT General Mandate continue to be adequate and/or commercially practicable in ensuring that the Mandated Transactions are not prejudicial to the interests of the Company and its minority Shareholders.

2.7.5 All interested person transactions shall be subject to the review by the Company's internal auditors on a quarterly basis to ensure that the relevant methods and procedures are complied with, and relevant approvals have been obtained. The internal auditors will submit their findings to the Audit Committee. The Audit Committee shall review the internal audit reports to ensure that all interested person transactions are carried out on normal commercial terms, and relevant approvals have been obtained. The Group shall grant the Audit Committee access and shall furnish such information as required by the Audit Committee for such review.

2.7.6 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures have become inadequate or inappropriate to ensure that the Mandated Transactions will be entered into based on terms not prejudicial to the interests of the Company and its minority Shareholders, for example, in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Person are conducted, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such methods and procedures, and/or modify or implement such methods and procedures as may be necessary, and direct the Company to seek a fresh general mandate from Shareholders based on new methods and procedures for transactions with Mandated Interested Persons.

2.7.7 The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.