UNION GAS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 201626970Z)

POTENTIAL PURCHASE OF PROPERTY AT 89 DEFU LANE 10 SINGAPORE 539220 (THE "PROPERTY")

The board of directors (the "**Board**") of Union Gas Holdings Limited (the "**Company**" together with its subsidiaries, the "**Group**") wishes to announce that it has made an offer to Long Bow Manufacturing (S) Pte Ltd (the "**Vendor**") to purchase the Property for a total consideration of S$10,500,000 (the "**Consideration**") (together, the "**Potential Acquisition**").

The Consideration was arrived at on a willing-buyer and on a willing-seller basis after taking into consideration, *inter alia*, the market value of the Property of approximately S$12,000,000 (based on a valuation commissioned by a bank on 29 November 2018); and on the assumption that the lease period will be extended by 30 years. The Consideration will be funded by internal funds and/or bank borrowings.

An option fee of 1 per cent. of the Consideration, being S$105,000 (the "**Option Fee**"), has been paid to the Vendor on 17 January 2020 for the grant of the option to purchase the Property ("**OTP**"). The Vendor has five (5) working days to accept the offer. If granted, the OTP will expire four (4) weeks from the receipt of the letter of approval for the Potential Acquisition by JTC Corporation ("**JTC**"), and is subject to the following conditions:

(a) approval for the Potential Acquisition having been obtained from JTC Corporation ("**JTC**"); and

(b) JTC grants an extension of 30 years on the lease of the property;

(the "**Conditions**"). The Option Fee will be refunded if any of the Conditions have not been met.

Shareholders and potential investors of the Company should note that the OTP is subject to the Conditions and the Company may or may not exercise the OTP. As such, the Potential Acquisition may or may not proceed. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

RATIONALE

The Company intends to use the Property as the headquarters of the Company. As the Company has been operating out of offices in different locations, the Potential Acquisition will allow the Company to centralise its staff in a single location.

FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Potential Acquisition on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**"), based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 are set out below:

NTA

Assuming that the Potential Acquisition had been completed on 31 December 2018, being the end of the most recently completed financial year, and based on the Group's audited consolidated financial

statements as at 31 December 2018, the effect on the NTA per share of the Group as at 31 December 2018 would be as follows:

	Before Potential Acquisition	**Adjusted for Potential Acquisition**
NTA (S$'000)	19,765	18,993
No. of Shares ('000)	228,863	228,863
NTA per share (cents)	8.64	8.30

EPS

Assuming that the Potential Acquisition had been completed on 1 January 2018, being the beginning of the most recently completed financial year, and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2018, the effect on the EPS of the Group for the financial year ended 31 December 2018 would be as follows:

	Before Potential Acquisition	**Adjusted for Potential Acquisition**
Earnings (S$'000)	6,424	5,652
Weighted No. of Shares ('000)	217,183	217,183
EPS (cents)	2.96	2.60

RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the Potential Acquisition computed on the bases set out Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist, ("**Catalist Rules**") are set out as follows:

Listing Rule	**Relative Figures (%)**
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.
Rule 1006(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	N.A.(1)
Rule 1006(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	18.45(2)
Rule 1006(d) Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A.

Notes:

(1) No profits will be generated from the Property as the Company intends to use it as the Company's headquarters.

(2) Based on the Consideration and the market capitalisation of the Company of approximately S$56,904,744 as at 16 January 2020 (being the full market day preceding the date of the OTP). Under Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue excluding treasury shares, and the volume weighted average price of S$0.2486 per share on 16 January 2020.

As all the relative figures set out under Rule 1006 exceeds 5% but does not exceed 75%, the Potential Acquisition constitutes a discloseable Potential Acquisition as defined under Chapter 10 of the Catalist Rules.

DOCUMENTS AVAILABLE FOR INSPECTION

The OTP, sale and purchase agreement and an updated valuation report will be made available for inspection in due course.

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any direct or indirectly interest in the aforesaid Potential Acquisitions, other than through their respective shareholdings in the Company. The Company will make a further announcement in relation to the Potential Acquisition in due course, upon the exercise or the expiry of the OTP, as the case may be. There are no directors proposed to be appointed to the Company in connection with the Potential Acquisition nor any service contracts proposed.

BY ORDER OF THE BOARD
UNION GAS HOLDINGS LIMITED

Teo Hark Piang
Executive Director and Chief Executive Officer
17 January 2020

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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.