

FOR IMMEDIATE RELEASE

Union Gas expands into commercial segment; grows domestic distribution network via two acquisitions

- *Proposed acquisition of U-Gas Pte. Ltd for a consideration of S\$9.2 million*
- *Proposed acquisition of non-contractual domestic customer relationships from Semgas Supply Pte. Ltd. for a consideration of S\$2.4 million*
- *Both acquisitions are expected to enhance shareholders' value in the mid- to long-term and will be satisfied via cash as well as allotment and issue of ordinary shares*

SINGAPORE, 20 March 2018 – Singapore Exchange Securities Trading Limited (the “SGX-ST”) Catalyst board listed, **Union Gas Holdings Limited** (优联燃气控股有限公司) (“**Union Gas**” or together with its subsidiaries, the “**Group**”), an established provider of fuel products in Singapore with over 40 years of operating track record, announced two acquisitions on 19 March 2018, which will see the Group extending its retail sale of liquefied petroleum gas (“**LPG**”) to the commercial segment in Singapore as well as expanding its distribution network for domestic supply of bottled LPG cylinders.

The Group has formally exercised the Commercial Business Call Option¹ to acquire the entire issued and paid-up capital of U-Gas Pte. Ltd. (“**U-Gas**”) from Union Energy Corporation Pte. Ltd (“**UEC**”) for a consideration of S\$9.20 million, of which a sum of S\$2.76 million will be satisfied in cash and the remaining to be satisfied by way of an allotment and issue of 24,329,430 ordinary shares in the issued and paid-up capital of Union Gas (“**Listco Consideration Share**”) in favour of UEC, at an issue price of S\$0.2647, the total issue price of the ListCo Consideration Shares to UEC is equivalent to S\$6.44 million.

U-Gas is primarily involved in the retail sale of LPG to hawker centres in Singapore and will be the supplier of LPG to certain hawker centres pursuant to 37 LPG supply agreements and equivalent agreements which are existing as at the date of this press release. Post-completion, UEC will

¹ See related announcement dated 15 February 2018.

undertake to pay Union Gas a sum equivalent to the sale price of the reduced volume of LPG purchased should the volume of LPG purchased from Union Gas from 1 May 2018 to 30 April 2019 be less than the minimum volume of 1,057,000 cubic metres per year.

Separately, the Group has also entered into an asset purchase agreement to acquire the non-contractual domestic customer relationships (the “**Assets**”) from Semgas Supply Pte Ltd (“**Semgas Supply**”)², which is a wholly-owned subsidiary of UEC, for S\$2.40 million, to be satisfied by way of S\$1.20 million in cash as well as an allotment and issue of 4,533,434 ordinary shares in the issued and paid-up capital of Union Gas in favour of Semgas Supply, at an issue price of S\$0.2647 per ListCo Consideration Share, the total issue price of the ListCo Consideration Shares to Semgas Supply is equivalent to S\$1.20 million. The average monthly historical volume of LPG cylinders sold to domestic customers was approximately 13,748 LPG cylinders.

Explaining the rationale behind the acquisitions, **Executive Director and Chief Executive Officer, Ms Alexis Teo (张淑婷)**, said: *“The two acquisitions are in line with our growth strategy to expand our LPG business not only by enlarging our distribution network and customer base in the domestic household segment, but also by reaching out to new commercial segments. The Assets we are proposing to acquire from Semgas Supply will enable us to fulfil the former, while the proposed acquisition of U-Gas will enable us to enter the hawker centre segment. I believe they will contribute towards enhancing shareholders’ value in the mid to long-term.”*

As the Group’s Non-Executive Chairman, Mr Teo Kiang Ang, and Ms Teo hold equity interest in UEC, both acquisitions are interested person transactions and will be subject to shareholders’ approval at an upcoming extraordinary general meeting to be convened.

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² See related announcement dated 29 December 2017.



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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"), Compressed Natural Gas ("CNG"), and Diesel.

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 21 July 2017 (SGX-ST stock code: 1F2), Union Gas is one of the leading suppliers of bottled LPG cylinders to domestic households in Singapore under the established and trusted brand "Union". With over 100 delivery vehicles, Union Gas operates one of the largest delivery fleets amongst the players in the sale of bottled LPG cylinders to domestic households in Singapore. 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. The Retail LPG Business today serves more than 140,000 domestic households in Singapore.

Union Gas produces, sells and distributes CNG at its fuel station in 50 Old Toh Tuck Road under the trusted "Cnergy" name. It is one of the leading suppliers of CNG primarily to natural gas vehicles (NGVs) and industrial customers for their commercial use. It also sells and distributes diesel to retail customers at its fuel station, as well as transports, distributes and bulk sells diesel to commercial customers.

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

This Press Release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Press Release.

This Press Release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Press Release, including the correctness of any of the statements or opinions made or reports contained in this Press Release.

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