UNION GAS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201626970Z)

DIVIDEND POLICY

The board of directors (the "**Board**") of Union Gas Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to disclose the adoption of a dividend policy that aims to provide shareholders of the Company ("**Shareholders**") with a target annual dividend payout of not less than 50% of the net profit attributable to Shareholders excluding non-controlling interests and non-recurring, one-off and exceptional items, with effect from financial year ending 31 December 2019, whether as interim and/or final dividends. Such declaration and payment of dividends shall be determined at the sole discretion of the Board of Directors of the Company (the "**Board**").

In proposing any dividend payout, the Board shall also take into account, *inter alia*:-

(i) the level of the Group's cash and retained earnings;
(ii) the Group's actual and projected financial performance;
(iii) the Group's projected levels of capital expenditure and other investment plans;
(iv) the Group's working capital requirements and general financing condition;
(v) restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and
(vi) any other factors that the Directors deem appropriate.

This dividend policy and the declaration and/or payment of future dividends under this policy are subject to the Board's continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Company and Shareholders, and are in compliance with all applicable laws and regulations.

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

Investors should note that the foregoing statement of the Company's dividend policy is a statement of the Board's present intention and does not constitute a legal binding obligation of the Company to declare a dividend at any time or from time to time.

By Order of the Board

Teo Soak Theng
Executive Director and Chief Executive Officer
24 April 2019

*This announcement 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 announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.