UNION GAS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201626970Z)

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING AND CHANGE IN USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The board of directors (the "**Board**") of Union Gas Holdings Limited (the "**Company**") refers to the Company's announcement dated 29 June 2018 and would like to i) provide an update on the use of proceeds from the Company's initial public offering ("**IPO**") in July 2017 and ii) announce that it will be re-allocating the unutilised IPO proceeds in the manner shown below:

Use of Proceeds	**Allocation of Proceeds (S$'000)**	**Proceeds utilised as at 29 June 2018 (S$'000)**	**Proceeds utilised from 29 June 2018 to 3 August 2018 (S$'000)**	**Balance of Proceeds as at 3 August 2018 (S$'000)**	**Amount re-allocated on 3 August 2018 (S$'000)**	**Amount as at 3 August 2018 after re-allocation (S$'000)**
Acquisition of dealers for the Retail LPG Business	4,000	979	1,089	1,932	143	2,075
Diversification into the supply and retail of piped natural gas to customers in the services and manufacturing industries in Singapore	1,000	-	-	1,000	-	1,000
General working capital	724	-	-	724	-	724
Listing expenses	1,776	1,633	-	143	(143)	-
	7,500	2,612	1,089	3,799	-	3,799

The above use of proceeds for acquisition of dealers for the Retail LPG Business of S$1,000,000 relates to the acquisition of assets on 3 August 2018 (being non-contractual relationships with domestic customers) for a total consideration of S$1,720,930. The first instalment payment of the cash consideration of S$1,000,000 was paid today and the balance of S$720,930 is to be satisfied in cash to be paid over two instalments on 15 October 2018 and 3 December 2018 of S$360,000 and S$360,930 respectively, and it is in accordance with the intended use as stated in the Company's offer document dated 13 July 2017. The balance payment of S$89,038 relates to the previous acquisition as announced on 29 June 2018

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining IPO proceeds as and when the funds are materially disbursed.

Rationale for re-allocation of IPO Proceeds

The intial amount of the listing expenses stated in the Offer Document was an estimation of the expenses prior the completion of the IPO. The Company has paid all its IPO listing expenses, with a balance allocated amount of S$143,000 remaining after a 12 month period subsequent to its listing on Catalist in July 2017. Accordingly, as the IPO listing expenses have been fully paid, the Board is of the view that it is in the Company's best interest to re-allocate the unutilised IPO Proceeds intended for listing expenses to fund the acquisition of dealers for the Retail LPG Business.

By Order of the Board

Teo Soak Theng Alexis
Executive Director and Chief Executive Officer
3 August 2018

*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.