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

ENTRY INTO A NON-BINDING LETTER OF INTENT WITH WORLDBRIDGE INDUSTRIAL DEVELOPMENTS LTD. FOR A PROPOSED JOINT VENTURE IN THE KINGDOM OF CAMBODIA

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1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Union Gas Holdings Limited (the "**Company**" together with its subsidiaries, the "**Group**") wishes to announce the Company has on 10th March 2021 entered into a non-binding letter of intent ("**LOI**") in relation to a proposed joint venture ("**Proposed Joint Venture**") with Worldbridge Industrial Developments Ltd ("**WBID**") for the distribution and supply of liquefied petroleum gas ("**LPG**") in the Kingdom of Cambodia (the "**JV Business**").

2. INFORMATION ON WBDI AND THE WORLDBRIDGE INTERNATIONAL GROUP

2.1. WBID is part of the WorldBridge International Group, a diverse solutions provider and conglomerate which was founded in 1992 by Mr. Oknha Sear Rithy that actively pursues investments in national industries in the Kingdom of Cambodia. The WorldBridge International Group has pioneered numerous projects across a myriad of industries, with investments in logistics, construction, real estate, finance, food and beverage, e-commerce, banking and security.

2.2. WBID was established in 2019 to develop and bring about new and innovative solutions in the manufacturing sector, with the aim to provide the vital linkages between markets, manufacturers, suppliers and services in the Kingdom of Cambodia.

3. RATIONALE FOR THE PROPOSED JOINT VENTURE

3.1. In line with the overall strategic objective of the Group to expand and grow its business, the Group has been considering the possibility of an expansion of its LPG (liquefied petroleum gas) business into overseas territories. The Proposed Joint Venture represents an opportunity for the Group to partner with an established local enterprise in the Kingdom of Cambodia with a fast-growing property development portfolio. In doing so, the Group would have the opportunity to lend its expertise and experience in supplying and distributing LPG to buyers of properties developed by the World Bridge International Group.

3.2. As the Proposed Joint Venture represents the Group's first investment and expansion into a different geographical territory, the Group intends to adopt a cautious approach and at the current juncture, the Group contemplates an initial modest investment before expanding and growing its overseas business at an appropriate pace. The Group has also chosen to develop a business in which it has core competencies (i.e. the supply and distribution of LPG). Such an approach would allow sufficient time for the Group to familiarise itself with and navigate a different regulatory and market environment. At the appropriate juncture, the Group will seek any requisite shareholders' approvals in line with the rules of the SGX-ST Listing Manual Section B: Rules of Catalist, where necessary.

4. FRAMEWORK AND SALIENT TERMS OF THE LOI

4.1. Following the signing of the LOI, the Company and WBID (the "**Parties**") have agreed to negotiate exclusively with the each other on matters relating to the Proposed Joint Venture for one (1) year ("**Exclusivity Period**"), unless definitive agreements have been entered into or if Parties agree to shorten the Exclusivity Period. The Parties will also commence negotiations on an acceptable business plan and budget for the Proposed Joint Venture, which will include details on contributions to be made by each Party.

4.2. It is contemplated that pursuant to the Proposed Joint Venture, the joint venture parties will procure the formation of a new limited liability company ("**JVCo**") under the laws of the Kingdom of Cambodia with the Group holding 55% and WBID holding 45% of the shareholding interest in JVCo. The JVCo shall also procure all necessary licenses and/or approvals for the purpose of operating the JV Business.

4.3. The Proposed Joint Venture will be subject to customary conditions, including (i) the entry into definitive agreement(s) by the parties; (ii) the approval of the board of directors (and shareholders, if necessary) of the joint venture parties approving the Proposed Joint Venture and (iii) the receipt of any relevant regulatory approvals and third party consents.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling or substantial shareholders of the Company have any interest, direct or indirect, in the LOI or the Proposed Joint Venture other than through their respective shareholdings in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to keep shareholders informed, as and when there are further updates pertaining to the above matters or if there are any material developments.

7. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company. There is no certainty or assurance as at the date of announcement that any definitive agreements will be signed, or if necessary, approvals for the Proposed Joint Venture will be granted. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
UNION GAS HOLDINGS LIMITED

Teo Hark Piang
Executive Director and Chief Executive Officer
10th March 2021

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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 person for the Sponsor is 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.