

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

**BINDING LETTER OF INTENT PERTAINING TO THE PROPOSED EXERCISE OF CALL OPTION
IN RELATION TO CERTAIN PARTS OF THE COMMERCIAL SEGMENT OF THE BUSINESS OF
UNION ENERGY CORPORATION PTE. LTD.**

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of Union Gas Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the offer document issued by the Company dated 13 July 2017 (the "**Offer Document**") in connection with the listing of the Company on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").
- 1.2 Unless otherwise stated, the capitalised terms used herein shall have the same meaning as ascribed to them in the Offer Document.
- 1.3 It was disclosed under the section entitled "Potential Conflicts of Interest" that Union Energy Corporation Pte. Ltd. ("**UEC**") had entered into a deed on 27 June 2017 to grant the Company or its nominee with the Commercial Business Call Option.

2. BINDING LETTER OF INTENT

- 2.1 The Board wishes to announce that, pursuant to the Commercial Business Call Option, the Company had, on 14 February 2018, issued a binding letter of intent ("**LOI**") to UEC subject to which the Company is willing to exercise the Commercial Business Call Option for the purposes of acquiring certain parts of the commercial segment of the business of UEC which relates to the business of the retail sale of liquefied petroleum gas ("**LPG**") to hawker centres, as an interested persons transaction (the "**Proposed Acquisition**").
- 2.2 A formal exercise notice in respect of the Commercial Business Call Option will be issued to UEC upon the satisfaction of the following: (a) legal, financial and business due diligence, the results of which shall be deemed satisfactory to the Company in its sole and absolute discretion (acting reasonably); and (b) an independent valuation being carried out in respect of the Proposed Acquisition by a valuer to be appointed by the Company. Upon service of the formal exercise notice, UEC and the Company (or its nominee, as the case may be) will be bound to complete the Proposed Acquisition, subject to the approval of the shareholders of the Company for the Proposed Acquisition.

3. FURTHER ANNOUNCEMENT

The Company will make further announcement(s) in accordance with the requirements of Chapter 9 and Chapter 10 of the SGX-ST Listing Manual Section B: Rules of Catalist when there are material developments in respect of the exercise of the Commercial Business Call Option.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's growth strategy to expand its business coverage to also include supply of LPG to hawker centres.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

UEC is a company which the Non-executive Chairman of the Company, Mr. Teo Kiang Ang ("**Mr. Teo**"), and the Executive Director and Chief Executive Officer of the Company, Teo Soak Theng Alexis ("**Ms. Teo**"), have shareholding interests in. Mr. Teo is also a director of UEC.

Save for Mr. Teo and Ms. Teo, none of the other Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company as there is no certainty or assurance at the date of this Announcement that the Commercial Business Call Option will be exercised, or the Proposed Acquisition will be undertaken at all.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

7. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

By Order of the Board

Teo Soak Theng Alexis
Executive Director and Chief Executive Officer
15 February 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 Catalyst. 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, Catalyst, Investment Banking, Singapore and Mr Lee Chee Cheong, Associate Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, Telephone: (65) 6337 5115.