



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

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## **RESPONSE TO QUESTIONS FROM SHAREHOLDERS**

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The Board of Directors (the "**Board**") of Union Gas Holdings Limited (the "**Company**") wishes to update that the Company has received the questions from shareholders in advance of the Annual General Meeting ("**AGM**") to be held by way of electronic means on Thursday, 29 April 2021.

The following are the Company's response to the questions:

1. The "Sungas" brand of LPG cylinders is mentioned in the annual report. Is this a recently developed new brand or acquired from other small LPG dealers? Why should the company have 2 different brands instead of just one "Union" brand?

Company's Response:

On 19 March 2018, The Company had entered into an asset purchase agreement to acquire non-contractual domestic customer relationships from Sengas Supply Pte Ltd to grow its distribution network to sell "Sungas" brand and its market share in the retail segment of the Liquefied Petroleum Gas ("**LPG**") Business ("**LPG Business**"). This transaction was approved by the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting on 23 April 2018. Please refer the Company's circular dated 6 April 2018 for more information.

The Company will continue to maintain the "Sungas" brand together with the "Union" brand in order to retain customers currently supporting the "Sungas" brand whilst providing the LPG Business an option to cater to the preferences of other customers.

2. The management has stated in the annual report that the potential acquisition of the LPG Distribution Business from UEC is expected to increase the base of commercial and industrial customers. Is it possible to reveal roughly how much in terms of percentage increase can we expect? Could you give us an update about the vertical integration project that was announced in 2020?

Company's Response:

The Company is unable to disclose the percentage increase due to competitive reasons. The potential acquisition is expected to generate revenue growth and enhance the quality of the profits of the LPG distribution business. On 17 June 2020, The Company had entered into a non-binding memorandum of understanding with Union Energy Corporation Pte Ltd ("**UEC**") in relation to the potential acquisition of assets. The potential acquisition is subject to certain terms and conditions to be negotiated and finalized. The Company is in the stages of negotiation and will ensure Shareholders are updated in a timely manner (i.e. timely announcements as and when there are material developments). The Company may seek the support and approval of Shareholders when required, at the appropriate time in the future where required pursuant to Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual.

3. In March 2021, the company has announced a proposed JV with WBID to supply and distribute LPG in Cambodia. Does the company intend to set up its own bottling plant in Cambodia or depend on a third-party bottling plant to distribute the bottled LPG?

Company's Response:

The letter of intent with Worldbridge Industrial Developments Ltd for a proposed joint venture in the Kingdom of Cambodia is for the distribution and supply of LPG. The Company is open to opportunities and complementary business to strengthen and grow its business. As the proposed JV represents the Company's first investment and expansion into a different geographical territory, the Company intends to adopt a cautious approach and at the current juncture, the Company contemplates an initial modest investment before expanding and growing its overseas business at an appropriate pace. Depending on the expansion plans, at the appropriate juncture in the future, the Company may also seek the approval from Shareholders as required pursuant to the SGX-ST Listing Manual.

4. What are the current initiatives and projects to grow the company for the coming years?

Company's Response:

Union Gas has set the wheels in motion to diversify into alternative energy products by transforming its Energy fuel station to potentially offering hydrogen and electricity which in line with the Singapore government plans. The Company has also expanded its natural gas business, which is the cleanest form of fossil fuel, from just compressed natural gas ("CNG") to also include liquified natural gas ("LNG") and piped natural gas ("PNG").

However, the existing environment may not drive widespread consumer adoption and transition to renewable energy until the factors of accessibility, availability, and affordability are adequately met. In the meantime, the Company's existing energy products remain relevant and important to domestic households as well as commercial customers who may not be operationally ready to give up these more traditional fuels. Hence, as the Company takes exploratory steps towards greener energy products, the Company is still investing in boosting its capabilities of its current products.

In view of the abovementioned, a few projects are in the pipeline on top of the potential vertical integration for the assets acquisition from UEC. In March 2021 the Company had entered into a consultancy service agreement with Surbana Jurong Infrastructure Pte. Ltd. ("SJI") to appoint SJI as an exclusive project development partner, as part of a collaboration with SJI to study and evaluate the potential redevelopment of the existing Energy fuel station. Within the same period, the Company also signed a non-binding letter of intent with Worldbridge Industrial development for a proposed joint venture to supply and distribute LPG in the Kingdom of Cambodia as highlighted in the response to question 3 above.

The Company has grown significantly since its Initial Public Offering on 21 July 2017. Going forward, the Company seeks a further diversification of its product suite and its market reach for long-term sustainability as well as to strengthen the resilience of its businesses while seeking the necessary support and approval of Shareholders when required in the future.

By Order of the Board  
**UNION GAS HOLDINGS LIMITED**

Teo Hark Piang  
Executive Director and Chief Executive Officer  
28 April 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.*