

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

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF (I) SEMBAS (ASIA) TRADING PTE. LTD.; (II) SEMGAS SUPPLY PTE. LTD.; AND (III) SUMMIT GAS SYSTEMS PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

– SECOND CORRIGENDUM TO THE ANNOUNCEMENT DATED 25 AUGUST 2021

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 its announcement dated 25 August 2021 regarding the proposed acquisition of the entire issued and paid up share capital of (i) Sembas (Asia) Trading Pte. Ltd.; (ii) Sengas Supply Pte. Ltd.; and (iii) Summit Gas Systems Pte. Ltd. as an interested person transaction (“**Previous Announcement**”) and the corrigendum announcement to the Previous Announcement dated 25 August 2021 (“**Corrigendum Announcement**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Previous Announcement.

The Company wishes to clarify that the Corrigendum Announcement should be disregarded and the following sections of the Previous Announcement should instead be read as follows (changes made are in bold and underlined):

In respect of sub-section (d) of the “No Outstanding Debts Condition” in paragraph 2.3 of the Previous Announcement:

No Outstanding Debts Condition	: (d) <i>the Company shall be entitled to interest on the Short-fall Amount at a late interest rate of six (6) eight (8) per cent per annum, accruing daily and computed on the basis of a year of 365 days, calculated from and including the Completion Date until and including the date of actual payment of the outstanding amount.</i>
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In respect of paragraph 2.4(b) of the Previous Announcement:

2.4 Financial information on the Proposed Acquisition	(b) <u>Net profit of the Target Companies and the Commercial Vehicles</u> <i>Based on the unaudited financial statements of the UEC Group for the half year ended 30 June 2021, the net profits <u>(being profits before income tax and non-controlling interests)</u> attributable to the Target Companies and the Commercial Vehicles, is approximately S\$8,705,000 <u>S\$10,489,000</u>.</i>
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In respect of paragraph 3.1(a) and (b) of the Previous Announcement:

3.1 Relative Figures under Listing Rule 1006 and Classification of the Proposed Acquisition	(a) <i>The relative figures for the Proposed Acquisition computed on the bases set out in Listing Rule 1006 are as follows:</i>
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Rule 1006	Bases of calculation	Relative figure for the Proposed Acquisition
(b)	Net profits/losses attributable to the assets acquired, compared with the Group's net profits/losses.	-1.66% 167% ⁽²⁾

Notes:

...

(2) Computed based on the net profits attributable to the Target Companies and the Commercial Vehicles amounting to ~~S\$8,705,000~~ **S\$10,489,000** for the half year ended 30 June 2021 and net profits of the Group of approximately ~~S\$5,251,000~~ **S\$6,267,000**, for the half year ended 30 June 2021.

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(b) **In accordance with Listing Rule 1015(7), as the Proposed Acquisition involves the acquisition of profitable assets and the only relative figure computed on the bases set out in Listing Rule 1006 which exceeds 100% is that calculated under Listing Rule 1006(b), Listing Rule 1015 does not apply to the Proposed Acquisition. Nevertheless,** as the relative figures computed under Rules 1006(c) and (d) exceed 20% but do not exceed 100%, the Proposed Acquisition constitutes a major transaction under Rule 1014 and shall be subject to the approval of Shareholders.

In respect of paragraph 4.2 of the Previous Announcement:

4.2 The value of this interested person transaction ("**IPT**") is equivalent to the Consideration for the Sale Shares and the Commercial Vehicles, being S\$75,000,000, and is approximately 4.97% **196%** of the net tangible assets ("**NTA**") of the Group as at ~~30 June 2021~~ **31 December 2020** (based on the latest ~~unaudited~~ consolidated NTA of the Group of ~~S\$38,125,000~~ **S\$38,249,000** as at ~~30 June 2021~~ **31 December 2020**).

In respect of paragraph 4.4 of the Previous Announcement:

4.4 The Company had, at its annual general meeting held on ~~7~~ **29** April 2021, sought and obtained the approval of its Shareholders for the renewal of a general mandate to enable the Company, its subsidiaries and associates, to enter into certain mandated transactions with the UEC Group (including the provision of maintenance and support services by the UEC Group to any member of the Group, in respect of equipment necessary in the course of business of the Group, such as the LPG manifold systems, cylinders, stoves and pipes). The current total (**as of the date of this announcement**) for all the IPTs entered into **by the Group** with the UEC Group in the current financial year ending 31 December 2021 is S\$25,579,000 and the current total (**as of the date of this announcement**) of all IPTs entered into by the Group for the same financial year is \$25,725,000.

In respect of paragraph 6.2(c) of the Previous Announcement:

(c) the Proposed Acquisition had been completed on 1 January ~~2024~~ **2020** for the purpose of illustrating the financial effects on the EPS.

In respect of paragraph 6.4 of the Previous Announcement:

6.4 **NTA per Share**

Assuming that the Proposed Acquisition was completed on 31 December 2020, the pro forma financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ attributable to owners of the Company (S\$'000)	38,249	50,024
Number of issued ordinary shares in the capital of the Company	228,929,780 <u>228,968,392⁽²⁾</u>	317,618,297
NTA per Share (Singapore cents)	16.71 <u>16.70</u>	15.75

Note:

- (1) NTA means total assets less the sum of total liabilities and intangible assets.
(2) **For illustrative purposes, the number of Shares issued before the Proposed Acquisition includes the 38,612 Shares issued under the Union Gas Performance Share Plan on 7 June 2021.**

In respect of paragraph 6.5 of the Previous Announcement:

6.5 EPS

Assuming that the Proposed Acquisition was completed on 1 January ~~2021~~ **2020**, the pro forma financial effects on the Group's EPS would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings after income tax (S\$'000)	13,864	28,936 <u>28,674</u>
Number of issued ordinary shares in the capital of the Company	228,929,780 <u>228,968,392⁽¹⁾</u>	228,929,780 <u>317,618,297</u>
EPS (Singapore cents)	6.06 <u>6.05</u>	12.64 <u>9.03</u>

Note:

- (1) **For illustrative purposes, the number of Shares issued before the Proposed Acquisition includes the 38,612 Shares issued under the Union Gas Performance Share Plan on 7 June 2021**

In respect of paragraph 7.1(d) of the Previous Announcement:

(d) Mr. Teo Kiang Ang, as at the date of this Announcement, has a total effective shareholding interest of 44.90% in the Company. Pursuant to Rule 14 of the Code, Mr. Teo Kiang Ang, would be obliged to make a general offer under the Code for the Shares not owned by him if his interests in the Shares of the Company increase by more than 1% within a six (6) month period. As Mr. Teo Kiang Ang is deemed interested in the shareholding interests of the Seller by virtue of his 61.89% shareholding in the Seller, his effective shareholding interest would increase to ~~60.28%~~ **58.85%** pursuant to **the disposal of 4,533,434 Shares representing 1.98% of the shareholding of the Company by Sengas prior to Completion as set out in paragraph 5 above and** the issuance of the Consideration Shares upon Completion. Accordingly, Mr. Teo Kiang Ang will be seeking a whitewash waiver from the SIC of his obligation to make a mandatory general offer for the Shares not held by him further to issuance of the Consideration Shares to the Seller. The whitewash waiver will be subject to the approval of independent Shareholders at a general meeting of the Company and accordingly, the Whitewash Resolution will be put forth to the independent Shareholders for their consideration and approval at the EGM.

Save for the above, there are no other changes to the Previous Announcement.

BY ORDER OF THE BOARD
UNION GAS HOLDINGS LIMITED

Teo Hark Piang
Executive Director and Chief Executive Officer
27 August 2021