

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

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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The Board of Directors of Union Gas Holdings Limited (the "**Company**") refers to the following queries raised by The Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 25 August 2021 and sets out the responses as follows:

**SGX-ST's Questions:**

- (i) The Company disclosed in the 17 June 2020 Announcement that it has signed a memorandum of understanding ("**MOU**") with Union Energy Corporation Pte Ltd (the "**Seller**" or "**UEC**") in relation to the propose acquisition of Sembas (Asia) Trading Pte. Ltd, Semgas Supply Pte. Ltd. and Summit Gas Systems Pte. Ltd. (collectively, the "**Target Assets**") (the "**Proposed Acquisition**"). Consideration for the Proposed Acquisition (the "**Consideration**") was expected to be fulfilled through a combination of cash and shares in the Company ("**Shares**") and "*would be determined after due diligence has been conducted*" on the Target Assets.

Section 1 of the 25 August 2021 Announcement provides that the Company has entered into a sale and purchase agreement ("**SPA**") with the Seller, and "*the Seller is a substantial shareholder of the Company with a 12.6% shareholding interest (inclusive of both direct and deemed interests) in the Company. It is also an associate of Mr. Teo Kiang Ang (Non-executive Chairman of the Company) and Mr. Teo Hark Piang (Executive Director and Chief Executive Officer of the Company) by virtue of their respective 61.89% and 12.55% equity interests in the Seller*". It was further disclosed that "*Mr. Teo Hark Piang is the son of Mr. Teo Kiang Ang and is accordingly his immediate family member for the purposes of the definition of "associate" under the Listing Rules*".

Section 2.3 of the 25 August 2021 Announcement provides that "*The Consideration was arrived at after arm's length negotiations between the Company and the Seller, taking into account, inter alia, the assets of the Target Companies, the future revenue and growth of the Target Companies as well as the potential synergies and strategic opportunities between the Target Companies and the Group's LPG distribution business.*"

The Company also disclosed in its Press Release that S\$61.0 million of the Consideration of S\$75.0 million will be satisfied through the allotment of 88,649,905 Shares, with "*81.3% of the Consideration being satisfied with Consideration Shares*".

In this regard:

- (a) Please confirm that Mr. Teo Kiang Ang (in his capacity as the Non-Executive Chairman), Mr. Teo Hark Piang (in his capacity as the Executive Director and Chief Executive Officer) and their associates (if any) have recused from all discussions involving the Proposed Acquisition.
- (b) As disclosed in the Company's annual report for FY2020, Mr. Teo Kiang Ang, Mr. Teo Hark Piang and UEC are the substantial shareholders of the Company. Please provide the percentage shareholding which will be held by Mr. Teo Kiang Ang, Mr. Teo Hark Piang and UEC in the enlarged share capital of the Company following the completion of the Proposed Acquisition. Please also provide the public float following the completion of the Proposed Acquisition.

**Company's Response to (i)(a):**

The Company confirms that Mr. Teo Kiang Ang (in his capacity as the Non-Executive Chairman), Mr. Teo Hark Piang (in his capacity as the Executive Director and Chief Executive Officer) and their associates have abstained from voting on the board resolutions involving the Proposed Acquisition, and Mr. Teo Hark Piang (in his capacity as the Executive Director and Chief Executive Officer) has been invited by the independent directors of the Company to provide his input on the Proposed Acquisition to the board of the Company.

### **Company's Response to (i)(b):**

The interests (both direct and indirect interests) of Mr. Teo Kiang Ang, Mr. Teo Hark Piang and Union Energy Corporation Pte. Ltd. ("UEC") as at 23 August 2021 and following the Completion of the Proposed Acquisition are set out as follows:

	As at 23 August 2021						Upon the Completion of the Proposed Acquisition					
	Direct Interest	%	Deemed Interest	%	Total	%	Direct Interest	%	Deemed Interest	%	Total	%
Teo Kiang Ang <sup>(1)</sup>	67,813,500	29.6	34,989,964 <sup>(3)</sup>	15.3	102,803,464	44.9	67,813,500	21.4	119,106,435 <sup>(5)</sup>	37.5	186,919,935	58.9
Teo Hark Piang <sup>(2)</sup>	25,479,500	11.1	-	-	25,479,500	11.1	25,479,500	8.0	-	-	25,479,500	8.0
Union Energy Corporation Pte. Ltd.	24,329,430	10.6	4,533,434 <sup>(4)</sup>	2.0	28,862,864	12.6	112,979,335	35.6	- <sup>(6)</sup>	-	112,979,335	35.6

#### **Notes:**

- (1) Teo Kiang Ang is the Non-executive Chairman and controlling shareholder of the Company.
- (2) Mr. Teo Hark Piang the Executive director and Chief Executive Officer of the Company, is the son of Mr. Teo Kiang Ang, the Non-executive Chairman and controlling shareholder of the Company.
- (3) Mr. Teo Kiang Ang is deemed interested in (i) 6,127,100 Shares held by LK Tang Pte. Ltd., which is 100% owned by Mr. Teo Kiang Ang; (ii) 24,329,430 Shares held by UEC, which is 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Holdings Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang, and (iii) 4,533,434 Shares held by Semgas Supply Pte. Ltd., which is 100% owned by UEC, which is in turn 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Holdings Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang.
- (4) UEC is deemed interested in 4,533,434 Shares held by Semgas Supply Pte. Ltd. through its 100% shareholding in Semgas Supply Pte. Ltd.
- (5) Following Completion of the Proposed Acquisition and assuming that 4,533,434 Shares held by Semgas Supply Pte. Ltd. has been disposed prior to Completion of the Proposed Acquisition, Mr. Teo Kiang Ang would be deemed interested in (i) 6,127,100 Shares held by LK Tang Pte. Ltd., which is 100% owned by Mr. Teo Kiang Ang; and (ii) 112,979,335 Shares held by UEC, which is 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Holdings Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang.
- (6) Assuming that 4,533,434 Shares held by Semgas Supply Pte. Ltd. has been disposed prior to Completion of the Proposed Acquisition.

Based on the latest information available to the Company as at 17 August 2021, the number of Shares held by public shareholders is approximately 65,960,428 Shares, which comprises 28.81% of the total issued shares of the Company of 228,968,392 Shares. Following the Completion of the Proposed Acquisition, the number of Shares held by public shareholders will be approximately 70,493,862 Shares (on the assumption that 4,533,434 Shares held by Semgas Supply Pte. Ltd. will be disposed prior to Completion of the Proposed Acquisition), which comprises 22.19% of the enlarged total issued shares of the Company of 317,618,297 Shares.

### **SGX-ST's Questions:**

(ii) We refer to the 25 August 2021 Announcement and the Corrigendum Announcement:

- (a) The Corrigendum Announcement provides that *"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 197% of the net tangible assets ("NTA") of the Group as at 30 June 2021 (based on the latest **unaudited** consolidated NTA of the Group of S\$38,125,000 as at 30 June 2021)." (emphasis added)*

Listing Rule 905(1) provides that *"An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest **audited** net tangible assets". (emphasis added)*

Listing Rule 906(1) provides that *"An issuer must obtain shareholder approval for any interested person transaction, of a value equal to, or more than:-*

*(a) 5% of the group's latest **audited** net tangible assets; or*

*(b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation". (emphasis added)*

In this regard, please state the Group's latest audited net tangible assets and provide the value of the Proposed Acquisition as a percentage of the Group's latest **audited** net tangible assets in accordance with Listing Rules 905(1) and 906(1).

### **Company's Response to (ii)(a):**

Please refer to the Company's announcement dated 27 August 2021 in relation to the Proposed Acquisition ("**Second Corrigendum Announcement**").

### **SGX-ST's Questions:**

- (b) Section 3.1(a) of the 25 August 2021 Announcement provides that the relative figure calculated pursuant to Listing Rule 1006(b) is 1.66%.

Note (2) to Section 3.1(a) states that the relative figure of 1.66% was *"Computed based on the net profits attributable to the Target Companies and the Commercial Vehicles amounting to S\$8,705,000 for the half year ended 30 June 2021 and net profits of the Group of approximately S\$5,251,000, for the half year ended 30 June 2021"*.

We wish to draw your attention to Listing Rule 1002(3)(b), which provides that *"net profits" means profit or loss including discontinued operations that have not been disposed and **before income tax and non-controlling interests**". (emphasis added)*

In this regard, please confirm the accuracy of the relative figure calculated pursuant to Listing Rule 1006(b), and whether the Proposed Acquisition would still fall under the category of a "Major Transaction" based on the revised figure (if any).

### **Company's Response to (ii)(b):**

Yes, we confirm that the Proposed Acquisition would still fall under the category of a "Major Transaction" based on the revised figures. Please refer to the amendments to paragraph 3.1(b) to the Previous Announcement in the Company's Second Corrigendum Announcement dated 27 August 2021.

**SGX-ST's Questions:**

- (c) Section 6.5 of the 25 August 2021 Announcement provides that in computing the pro forma financial effects on the Group's earnings per Share ("**EPS**") for the financial year ended 31 December 2020 (assuming that the Proposed Acquisition was completed on 1 January 2021), the number of issued ordinary shares in the capital of the Company after the Proposed Acquisition is "228,929,780" shares.

With reference to Sections 6.3 and 6.4, please address whether the number of issued ordinary shares in the capital of the Company after the Proposed Acquisition should be "317,618,297" shares instead. If so, please confirm if the EPS of 12.64 Singapore cents is accurate.

Please also confirm whether the assumed date of completion of the Proposed Acquisition to illustrate the financial effects on the EPS should be 1 January **2021** or 1 January **2020**.

**Company's Response to (ii)(c):**

Please refer to the Company's Second Corrigendum Announcement dated 27 August 2021.

**SGX-ST's Questions:**

- (d) Please disclose the identity of the Valuer which has been commissioned by the Company to ascertain the market value of the sale shares.

**Company's Response to (ii)(d):**

The Company has engaged Mazars LLP as an independent valuer.

**SGX-ST's Questions:**

- (e) Kindly release a corrigendum announcement to correct the inaccuracies at Sections 3.1, 4.2, 6.2 and 6.5 of the 25 August 2021 Announcement.

**Company's Response to (ii)(e):**

Please refer to the Company's Second Corrigendum Announcement dated 27 August 2021.

BY ORDER OF THE BOARD  
**UNION GAS HOLDINGS LIMITED**

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