

FOR IMMEDIATE RELEASE

Boosted by its acquisition of upstream assets, Union Gas' FY2021 revenue reaches new high of S\$123.0m

- Expects strong growth prospects from newly expanded LPG business which is likely to impact positively on performance in FY2022.
- Proposes final dividend of 0.8 Singapore cents per share, which together with the interim dividend of 1.0 Singapore cents per share, brings the total dividend for FY2021 to 1.8 Singapore cents.

Financial Highlights (S\$ Million)	12 months ended 31 Dec				
	FY2021 ¹	FY2020 ² (Actual)	Change ² (%)	FY2020 ¹ (Restated)	Change ¹ (%)
Revenue from:					
- Liquefied Petroleum Gas ("LPG")	102.0	68.4	49.1	101.1	0.9
- Diesel	18.8	16.8	11.9	16.9	11.2
- Natural Gas ("NG")	2.2	1.0	120.0	1.0	120.0
Total Revenue	123.0	86.2	42.7	119.0	3.4
Gross Profit	44.1	37.7	17.0	57.8	(23.7)
Gross Profit Margin (%)	35.8	43.7	(7.9)% Pts	48.6	(12.8)% pts
Net profit	14.9	13.9	7.2	28.9	(48.4)
Earnings Per Share ("EPS") (Singapore cents)^a	4.74	6.06	(21.8)	9.23	(48.6)
Net Asset Value ("NAV") per share (Singapore cents)^b	17.64	17.55	0.5	20.50	(14.0)

a. EPS is calculated based on 314,584,000, 228,917,000 and 313,034,000 weighted average number of ordinary shares in issue in FY2021, FY2020 (Actual) and FY2020 (Restated) respectively.

b. NAV is calculated based on 317,618,000, 228,929,000 and 313,046,000 ordinary shares in issue as at 31 December in 2021, 2020 (Actual) and 2020 (Restated) respectively.

¹ With reference to the Group's announcement on 24 August 2021, the acquisition of Sembas Asia (Trading) Pte. Ltd., Summit Gas System Pte. Ltd., and Semgas Supply Pte. Ltd. (the "Target Group") was completed on 30 December 2021, following which the Target Group became a wholly-owned subsidiary of the Company. Prior to the acquisition, the Target Group was controlled by a common controlling shareholder, Mr Teo Kiang Ang. The acquisition is, therefore, considered to be a business combination involving entities or businesses under common control and is accounted for using the pooling of interests method. Although the acquisition occurred during the reporting year ended 31 December 2021, the consolidated financial statements present the financial position and financial performance as if the Target Group had always been combined since the beginning of the earliest period presented.

² Actual reported figures for the financial year ended 31 December 2020 ("FY2020") without consolidating the financial statements of the Target Group as per Note 1 above.



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SINGAPORE, 25 February 2022 – Union Gas Holdings Limited (优联燃气控股有限公司) (“Union Gas”, the “Company” together with its subsidiaries, the “Group”), has topped its previous financial year’s record performance with a new high of S\$123.0 million in its topline while net profit came in at S\$14.9 million for the 12 months ended 31 December 2021 (“FY2021”).

If compared against actual^{1,2} revenue of S\$86.2 million and net profit of S\$13.9 million reported for the 12 months ended 31 December 2020 (“FY2020”), FY2021 would have been another record year for Union Gas with significant y-o-y revenue and profit growth of 42.7% and 7.2% respectively.

The Group’s performance was boosted by the upstream expansion of its LPG operations into the bottling and storage business through the acquisition of Sembas (Asia) Trading Pte. Ltd., Semgas Supply Pte. Ltd., and Summit Gas Systems Pte. Ltd. (the “**acquisition**”) from Union Energy Corporation Pte. Ltd.

The acquisition, which comprised two bottling plants and a sizeable amount of support infrastructure including six LPG storage depots, a fleet of delivery vehicles and an entire commercial and industrial LPG sales team, marked an important milestone for Union Gas as it gave the Group full control of the entire LPG supply chain from procurement of LPG to bottling, to storage and retailing. It also gave Union Gas ownership of two out of the four bottling licenses and bottling plants in Singapore, making the Group one of the largest LPG players with the largest bottling operations in the city-state.

Segmental Review

As a result of the upstream expansion and further lifted by higher selling prices, revenue from the Group’s **LPG** segment surged 49.1% y-o-y to S\$102.0 million in FY2021 when compared against actual^{1,2} revenue of S\$68.4 million reported for FY2020.

Meanwhile, the Group’s **Diesel** segment benefitted from an increase in selling prices arising from higher fuel prices delivering a 11.9% y-o-y increase in revenue to S\$18.8 million in FY2021. During the period under review, the highest revenue growth came from the Group’s **NG** business, which expanded 120.0% from S\$1.0 million in FY2020 to S\$2.2 million in FY2021 due to an increase in selling prices of compressed NG and, also due to full year contribution from the Group’s new piped NG segment.

During the period under review, Union Gas’ gross profit margin declined to 35.8% mainly because of higher cost of sales in relation to an increase in fuel prices that was not passed on fully to customers. **Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬)**, explained: “*We had absorbed the bulk of fuel cost price hikes and did not increase our selling price in tandem with our higher cost of sales. This decision had eroded our gross profit margin and our profits. We had considered this carefully not to pass through the full fuel price cost increase to support our longstanding customers through the difficult times brought on by the Covid-19 pandemic. We believe this will further strengthen our valuable partnership with our customers and the customers of our*



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customers who are the end-consumers. It goes a long way to build trust and in turn, it increases the resilience and robustness of our industry. It is also the hallmark of our brand which is trusted by generations."

Dividend

The Board of Directors has proposed a final ordinary dividend of 0.8 Singapore cents per share, which together with the interim dividend of 1.0 Singapore cents per share, brings the total dividend for FY2021 to 1.8 Singapore cents.

Outlook

Union Gas anticipates the next 12 months to be challenging in view of the protracted Covid-19 situation and rising fuel prices which has led to supply chain disruptions and higher cost of operations. Looking ahead, the Group will monitor the situation closely and implement measures that are necessary to cushion the impact of fuel price increases. This may include raising the prices of its energy products.

The Group remains positive about the outlook for its business and its optimism is supported by the essential nature of its business and also its control of the entire LPG supply chain, which has expanded its LPG services and offerings. This enables Union Gas to increase its current base of commercial and industrial customers and ability to potentially extend its distribution of bottled LPG cylinders beyond its current retail customers into the wholesale space. In addition, the Group can now offer bottling and refilling of LPG cylinders to non-affiliated entities. The aforementioned factors are expected to strengthen Union Gas' resilience and deliver sustainable growth for the Group.

Mr Teo added: *"With the integration of our operations now completed, we expect our enlarged operations and broader customer base to increase our productivity and enhance our ability to optimise our operational assets, which will bring our Group to the next level of growth and impact positively on our results in FY2022."*

The Group will continue to explore and evaluate strategic opportunities and complementary businesses to diversify, strengthen and grow its business both locally and overseas.

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About Union Gas

Union Gas Holdings Limited (优联燃气控股有限公司) (“Union Gas” or the “Company”, and together with its subsidiaries, the “Group”) is an established provider of fuel products in Singapore with over 40 years of operating track record. Its three key businesses comprise Retail Liquefied Petroleum Gas (“LPG”), Natural Gas (“NG”), and Diesel.

Listed on the Mainboard of Singapore Exchange Securities Trading Limited, Union Gas is one of the leading suppliers of LPG in Singapore. The Group has a fleet of nearly 300 delivery vehicles serving more than 200,000 domestic households as well as commercial entities such as hawker centres, eating houses, coffee shops and commercial central kitchens island-wide. The Group owns LPG storage depots as well as two out of four bottling LPG bottling plants in Singapore, giving it full control of the entire LPG supply chain from procurement of LPG to bottling, to storage, distribution, wholesaling and retailing.

Union Gas sells and distributes diesel to retail customers at its “Cnergy” fuel station in 50 Old Toh Tuck Road and transports, distributes and bulk sells diesel to commercial customers. The Group also provides liquefied NG and piped NG to industrial customers and distributes compressed NG primarily to natural gas vehicles via its fuel station as well as to industrial customers for their commercial use. Union Gas sells and distributes diesel to retail customers at its “Cnergy” fuel station and transports, distributes and bulk sells diesel to commercial customers.

For more information, please visit www.uniongas.com.sg

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