

FOR IMMEDIATE RELEASE

Union Gas' revenue and net profit soars in FY2018 with contributions from newly acquired businesses

- Net profit leaps 84.9% to S\$6.4 million as revenue rises 43.8% to S\$56.4 million.
- Proposes first and final dividend of 1.20 Singapore cents per share representing 42.8% of net profit in FY2018.

Financial Highlights (S\$ Million)	12 months ended 31 Dec		
	FY2018	FY2017	Change (%)
Revenue	56.4	39.2	43.8
Net profit	6.4	3.5	84.9
Earnings Per Share ("EPS") (Singapore cents) ¹	2.96	1.89	56.6
Net Asset Value ("NAV") per share (Singapore cents) ²	11.37	9.90	14.8

1. EPS is calculated based on 217,183,164 and 183,397,260 weighted average number of ordinary shares in issue in FY2018 and FY2017 respectively.
2. NAV is calculated based on 228,862,864 and 200,000,000 number of ordinary shares in issue in FY2018 and FY2017 respectively.

SINGAPORE, 27 February 2019 – Singapore Exchange Securities Trading Limited (the "SGX-ST") Catalist board listed **Union Gas Holdings Limited** (优联燃气控股有限公司) ("**Union Gas**" or together with its subsidiaries, the "**Group**"), an established provider of fuel products in Singapore with over 40 years of operating track record, has achieved a significant improvement for the 12 months ended 31 December 2018 ("**FY2018**") as contributions from its new acquisitions drove strong double-digit growth in both sales and net profit.



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In FY2018, the Group's revenue leapt 43.8% year-on-year ("**YOY**") to S\$56.4 million as compared to S\$39.2 million generated in the corresponding 12 months in 2017 ("**FY2017**"). On the back of higher revenue, net profit surged 84.9% YOY to S\$6.4 million over the same period.

The sterling performance was mainly due to acquisitions made by the Group in 2018. The Group's acquisition of non-contractual domestic customer relationships from Semgas Supply Pte Ltd ("**Semgas Supply**") as well as other dealers and also acquisition of U-Gas Pte. Ltd. ("**U-Gas**"), which is primarily involved in the retail sale of LPG to hawker centres in Singapore. As a result of these acquisitions, the Group's revenue from the retail of bottled liquefied petroleum gas ("**LPG**") cylinders and LPG-related accessories to mainly domestic households in Singapore rose 22.1% YOY to S\$28.50 million, while its new commercial segment catering to hawker centres contributed S\$5.58 million in FY2018.

In terms of its existing business, the Group generated a significant increase in the sale and distribution of diesel to retail customers and bulk sale of diesel to commercial customers with this segment's revenue contribution rising 99.4% YOY to S\$20.12 million in FY2018. However there was a fall in sale of compressed natural gas primarily to natural gas vehicles partially because of the decrease in the number of such vehicles in Singapore, leading to lower revenue of S\$2.16 million from this segment in FY2018 compared to S\$5.75 million in FY2017.

Gross profit increased by 39.5% YOY to S\$19.31 million in FY2018 but gross profit margin declined marginally by 1.0% point from 35.3% to 34.3% mainly due to the increase in average purchase cost of diesel exceeding the increase in average selling price of diesel to customers. Meanwhile, the increase in the Group's operating expenses was in line with its expanded operations as a result of acquisition.

Earnings per share rose in tandem with the improved performance, coming in at 2.96 Singapore cents in FY2018 as compared to 1.89 Singapore cents in FY2017, while net asset value was 11.37 Singapore cents per share as at 31 December 2018 as compared to 9.90 Singapore cents per share as at 31 December 2017.



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Union Gas' cash and cash equivalents stood at a healthy S\$15.7 million as at 31 December 2018 versus secured borrowings amounting to S\$2.4 million, which puts the Group in a strong cash position to execute future growth plans.

Executive Director and Chief Executive Officer, Ms Alexis Teo (张淑婷), said: *"The integration of U-Gas into our operations and our asset acquisition from Semgas Supply has given both our top and bottom lines a significant boost despite less than 12 months of contribution. We believe our investment will continue to reap benefits in FY2019 when contributions from these acquisitions are recognised for the full year. With proven results from this expansion strategy, we expect to continue our current growth strategy as well as increase our business in the commercial sector in 2019."*

To share the fruits of a good year, Union Gas' Board of Directors has proposed a first and final dividend of 1.20 Singapore cents per share in respect of FY2018, which is subject to approval by shareholders at the upcoming annual general meeting in April 2019. This represents 42.8% of net profit for the FY2018.

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Issued for and on behalf of Union Gas Holdings Limited

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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



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40 years of operating track record. Its three key businesses comprise Retail Liquefied Petroleum Gas ("LPG"), Compressed Natural Gas ("CNG"), and Diesel.

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 21 July 2017 (SGX-ST stock code: 1F2), Union Gas is one of the leading suppliers of bottled LPG cylinders to domestic households in Singapore under the established and trusted brand "Union". With over 100 delivery vehicles, Union Gas operates one of the largest delivery fleets amongst the players in the sale of bottled LPG cylinders to domestic households in Singapore. This extensive distribution capability is further supported by an in-house call centre that operates all year round with a customised customer relationship management system. The Retail LPG Business today serves more than 140,000 domestic households in Singapore.

In 2018, Union Gas entered the commercial segment and is now involved in the retail sale of LPG to hawker centres in Singapore.

Union Gas produces, sells and distributes CNG at its fuel station in 50 Old Toh Tuck Road under the trusted "Cnergy" name. It is one of the leading suppliers of CNG primarily to natural gas vehicles (NGVs) and industrial customers for their commercial use. It also sells and distributes diesel to retail customers at its fuel station, as well as transports, distributes and bulk sells diesel to commercial customers.

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

This Press Release 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 Catalist. The Sponsor has not independently verified the contents of this Press Release.

This Press Release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Press Release, including the correctness of any of the statements or opinions made or reports contained in this Press Release.

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