

FOR IMMEDIATE RELEASE

Union Gas reports strong growth in FY2019 as expansion into commercial segment pays off

- *Net profit jumps 31.0% to S\$8.4 million in FY2019 as revenue rises 39.8% to S\$78.8 million led by three-fold increase in Retail LPG – Commercial business.*
- *Proposes final dividend of 1.55 Singapore cents per share, which together with the interim dividend of 0.30 Singapore cents, brings the total dividend for FY2019 to 1.85 Singapore cents.*

Financial Highlights (S\$ Million)	12 months ended 31 Dec		
	FY2019	FY2018	Change (%)
Revenue	78.8	56.4	39.8
Gross Profit	29.2	19.3	51.3
Gross Profit Margin (%)	37.1	34.3	2.8 pts
Net profit	8.4	6.4	31.0
Earnings Per Share ("EPS") (Singapore cents) ¹	3.68	2.96	24.3
Net Asset Value ("NAV") per share (Singapore cents) ²	13.55	11.37	19.2

1. EPS is calculated based on 228,884,000 and 217,183,000 weighted average number of ordinary shares in issue in FY2019 and FY2018 respectively.
2. NAV is calculated based on 228,901,000 and 228,863,000 ordinary shares in issue at the end of FY2019 and FY2018 respectively.

SINGAPORE, 27 February 2020 – 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 strong double-digit year-on-year ("**YOY**") percentage

growth in both its top and bottom lines led mainly by its Retail LPG – Commercial segment, which contributed a three-fold increase in revenue for the year ended 31 December 2019 (“**FY2019**”).

Net profit rose 31.0% YOY to S\$8.4 million as compared to S\$6.4 million achieved in the corresponding 12 months in the previous year (“**FY2018**”). This was on the back of revenue which grew 39.8% to S\$78.8 million over the same period. Led by stronger sales and a 2.8% points YOY increase in gross profit margin to 37.1% in FY2019, gross profit came in at S\$29.2 million as compared to S\$19.3 million in FY2018.

Segmental Review

As Union Gas’ main revenue contributor, the **Retail LPG Business**, which comprises both domestic and commercial sales, generated S\$52.9 million in FY2019. Of this, domestic sales had contributed S\$30.5 million (FY2018: S\$28.5 million), while the commercial sales contributed S\$22.4 million (FY2018: S\$5.6 million). The Group’s **Diesel Business** also grew strongly by 19.1% YOY to S\$24.0 million due to more diesel being sold at its fuel station at 50 Old Toh Tuck Road. The improved performance of these two businesses was partially offset by a decline in the Group’s **CNG Business**, which decreased 9.3% YOY to S\$2.0 million in FY2019.

Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: *“The Group’s performance in FY2019 continued to reflect the success of our two strategic acquisitions in 2018. The purchase of non-contractual domestic customer relationships has resulted in a 6.8% improvement in our Retail LPG – Domestic sales, while the acquisition of U-Gas Pte. Ltd. paved the way for our Group to sell LPG to hawker centres. In addition, the incorporation of a new subsidiary expanded the LPG supply to eating houses, coffee shops and commercial central kitchens in Singapore, resulting in revenue from our Retail LPG – Commercial business growing by three times in FY2019.*

“We are optimistic that there is more room to grow in the commercial segment and we will be working hard to pursue more contracts to increase sales. At the same time, our revenue from diesel sales continued to increase steadily with higher volumes being sold at our fuel station. The double-digit growth from LPG and diesel sales have more than mitigated the expected decline in revenue from CNG as the number of natural gas vehicles and vehicles that operate on CNG continue to shrink in Singapore.”

Earnings per share rose in tandem with the improved performance, coming in at 3.68 Singapore cents in FY2019 as compared to 2.96 Singapore cents in FY2018, while net asset value was 13.55 Singapore cents per share as at 31 December 2019 (As at 31 December 2018: 11.37 Singapore cents per share). Union Gas remained in a strong cash position to fund future growth plans with a war chest of S\$21.0 million in cash and cash equivalents as at 31 December 2019 versus secured borrowings amounting to S\$1.7 million.

To distribute the earnings from a good year, Union Gas' Board of Directors has proposed a final dividend of 1.55 Singapore cents per share, which together with the interim dividend of 0.30 Singapore cents per share, brings the total dividend in respect of FY2019 to 1.85 cents per share (FY2018: 1.2 Singapore cents per share). This represents 50.3% of net profit for the financial year.

Mr Teo said: *"Despite challenges in the macro environment, including the recent Covid-19 outbreak, we are confident that we can adapt and continue to grow. We will also continue to explore opportunities to expand our business through acquisitions and new businesses that will complement our current businesses. In keeping with our business risk management policy, we are committed to maintain diverse sources of bottled LPG cylinders so that in the event of unforeseen incidents like the fire¹ that broke out at one of our suppliers, Summit Gas Systems Pte Ltd, in June 2019, there will be no significant impact to our business and financial performance.*

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Issued for and on behalf of Union Gas Holdings Limited

August Consulting

Tel: 65 6733 8873

Silvia Heng, silviaheng@august.com.sg

Wrisney Tan, wrisneytan@august.com.sg

¹ SGX Announcement (24 June 2019): Industrial Fire at Supplier's Facility at Jalan Buroh; and, SGX Announcement (13 August 2019): Unaudited Half-Year Financial Statements For The Six Months Ended 30 June 2019.



Union Gas Holdings Limited
3 Lorong Bakar Batu
#07-04 Union Industrial Center
Singapore 348741
www.uniongas.com.sg
Co. Reg. No.: 201626970Z

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"), 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 in Singapore under the established and trusted brand "Union". The Group has a fleet of over 200 delivery vehicles serving more than 190,000 domestic households as well as commercial entities such as hawker centres, eating houses, coffee shops and commercial central kitchens island-wide. 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.

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

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

This Press Release 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 Press Release has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.

The contact persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist, Investment Banking, Singapore and 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.