Union Gas Holdings Limited
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Co. Reg. No.: 201626970Z

FOR IMMEDIATE RELEASE

Union Gas' HY2020 earnings surges 76.7% as household demand and commercial expansion drives up sales of LPG

- *Revenue jumps 27.2% year-on-year to S$43.2 million led strongly by Retail LPG business and partially offset by Diesel and CNG businesses.*
- *Declares interim dividend of 0.50 Singapore cent, representing 16.4% of net profit for the 6 months ended 30 June 2020.*

Financial Highlights (S$ Million)	**6 months ended 30 Jun**		
	HY2020	HY2019	**Change (%)**
Revenue	**43.2**	34.0	27.2
Gross Profit	**18.3**	12.6	45.6
Gross Profit Margin (%)	**42.4**	37.0	5.4 pts
Net profit	**7.0**	4.0	76.7
Earnings Per Share ("EPS") (Singapore cents) [1]	**3.05**	1.73	76.3
Net Asset Value ("NAV") per share (Singapore cents) [2]	**15.05** (as at 30 Jun 2020)	13.55 (as at 31 Dec 2019)	11.1

1. *EPS is calculated based on 228,904,000 and 228,868,000 weighted average number of ordinary shares in issue in HY2020 and HY2019 respectively.*
2. *NAV is calculated based on 228,930,000 and 228,901,000 ordinary shares in issue as at 30 June 2020 and 31 December 2019 respectively.*

SINGAPORE, 13 August 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 for the six months ended 30 June 2020 ("**HY2020**") led mainly by its

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Retail LPG business, which benefitted from the higher demand from domestic households during the Circuit Breaker[1] and the increase in business volume from its commercial customers.

Net profit surged 76.7% YOY to S$7.0 million as compared to S$4.0 million achieved in the corresponding 6 months in 2019 ("**HY2019**"). This was on the back of revenue which rose 27.2% to S$43.2 million (HY2019: S$34.0 million). Led by stronger sales, gross profit rose in tandem to S$18.3 million in HY2020 compared to S$12.6 million in HY2019, with an uptick of 5.4% points in gross profit margin to 42.4%.

To distribute the earnings from a good first half and as a display of confidence in the Group's prospects, Union Gas' Board of Directors has proposed an interim dividend of 0.5 Singapore cents per share, which represents 16.4% of net profit for HY2020.

Segmental Review

In terms of business segments, Union Gas' revenue from the **Retail LPG Business** rose 61.6% from S$21.0 million in HY2019 to S$34.0 million in HY2020. This was mainly due to an increase in sales to domestic households and the Group's expansion of its commercial business segment to supply LPG to eating houses, coffee shops and commercial central kitchens.

While the its Retail LPG Business performed strongly as a result of the Circuit Breaker measures, the restrictions on movement and business activities affected sales of both the Group's **Diesel Business** and **CNG Business**, which registered lower revenues of 26.9% and 49.0% to S$8.7 million and S$0.5 million respectively.

Executive Director and Chief Executive Officer, Mr Teo Hark Piang（张学彬）, said: *"These are truly unprecedented times, which no one could have predicted. We are thankful that our diversified business operations and customer segments enabled us to remain resilient during this period when many businesses are closing as a result of the economic fallout from COVID-19.*

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[1] To curb the spread of COVID-19, the Singapore government implemented a "Circuit Breaker" from April 7 to June 1, which mandated the closure of most workplaces, with the exception of essential services and key economic sectors. (Source: Singapore's circuit breaker and beyond: Timeline of the COVID-19 reality, https://www.channelnewsasia.com/news/singapore/covid-19-circuit-breaker-chronicles-charting-evolution-12779048)

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"The HY2020 performance of our Retail LPG business continued to affirm the two strategic acquisitions we made in 2018, which increased our non-contractual domestic customer relationships and paved the way for further expansion of our commercial segment. We will continue to explore and evaluate other strategic upstream and downstream opportunities as well as other complementary businesses that can add value to the Group and grow our business."

As a reflection of the significant improvement in the Group's performance, earnings per share rose to 3.05 Singapore cents in HY2020 as compared to 1.73 Singapore cents in HY2019, while net asset value was 15.05 Singapore cents as at 30 June 2020 (as at 31 December 2019: 13.55 Singapore cents per share).

Union Gas remains in a strong financial position to weather the current economic climate with funds for future growth plans with an increase in cash and cash equivalents from S$21.0 million as at 31 December 2019 to S$30.7 million as at 30 June 2020.

In terms of potential business plans and expansion, Union Gas had on 17 June 2020 signed a non-binding Memorandum of Understanding ("**MOU**") with Union Energy Corporation Pte. Ltd. ("**UEC**"). The MOU establishes a framework for the possible acquisition of various strategic and complementary assets by the Group from UEC subject to further negotiation and the parties entering into a definite sale and purchase agreement.

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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"), Compressed Natural Gas ("CNG"), and Diesel.

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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 200,000 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 "Cnergy" 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.

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Issued for and on behalf of Union Gas Holdings Limited

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