

FOR IMMEDIATE RELEASE

Union Gas' topline grows to S\$45.1 million on higher sales volume and average selling prices

- Net profit declined 24.9% yoy to S\$5.3 million due to the rise in material costs and expenses in relation to higher sales volumes and direct material costs.
- Declares interim dividend of 1.0 Singapore cent per share, which represents 43.6% of net profit for 1H 2021, and double of the 0.5 Singapore cent per share declared in 1H 2020.

Financial Highlights (S\$ Million)	6 months ended 30 Jun		
	HY2021	HY2020	Change (%)
Revenue	45.1	43.2	4.3
Gross Profit	16.5	18.3	(9.9)
Net profit	5.3	7.0	(24.9)
Earnings Per Share ("EPS") (Singapore cents) ^a	2.29	3.05	(24.9)
Net Asset Value ("NAV") per share (Singapore cents) ^b	17.32 (as at 30 Jun 2021)	17.55 (as at 31 Dec 2020)	(1.3)

- a. EPS is calculated based on 228,934,000 and 228,904,000 weighted average number of ordinary shares in issue in HY2021 and HY2020 respectively.
- b. NAV is calculated based on 228,968,000 and 228,929,000 ordinary shares in issue as at 30 June 2021 and 31 December 2020 respectively.

SINGAPORE, 12 August 2021 – Singapore Exchange Securities Trading Limited Mainboard 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 healthy 4.3% year-on-year ("yoy") increase in total revenue to S\$45.1 million for the six months ended 30 June 2021 ("1H 2021") with net profit coming in at S\$5.3 million.



Union Gas Holdings Limited
89 Defu Lane 10
Union Gas House
Singapore 539220
www.uniongas.com.sg
Co. Reg. No.: 201626970Z

Performance Review

All three of the Group's business segments recorded higher revenues, which contributed to the topline improvement during the period under review. The strongest growth came from the Group's ***Natural Gas ("NG") Business***, which doubled its sales from S\$0.5 million in the previous corresponding six months ended 30 June 2020 ("**1H 2020**") to S\$1.1 million in 1H 2021. This was mainly due to higher average selling prices ("**ASPs**") of compressed NG as well as contribution from the new piped NG segment, which was launched in November 2020.

The Group's ***Liquefied Petroleum Gas ("LPG") Business***, which is its main revenue generator, achieved a 2.2% yoy increase in revenue to S\$34.7 million in 1H 2021 mainly due to an increase in sales volumes and ASPs. Likewise, its Diesel Business also achieved a 6.9% yoy uptick in revenue to S\$9.3 million in 1H 2021 due to higher ASPs arising from the increase in fuel prices.

Cost of sales rose 14.8% yoy to S\$28.6 million in 1H 2021 as compared to S\$24.9 million in 1H 2020. As a result of higher direct material costs arising from all three of its segments and increase in revenue and sales volumes, the Group's gross profit declined 9.9% from S\$18.3 million in 1H 2020 to S\$16.5 million in 1H 2021.

The Group incurred higher expenses in 1H 2021 mainly due to an increase in marketing and distribution costs as it invested in marketing and advertising activities to build greater brand awareness and garner greater customer loyalty. During the period, there was also a reduction in government Job Support Scheme pay-outs as compared to the previous corresponding period. As a result of the aforementioned, net profit declined 24.9% yoy from S\$7.0 million in 1H 2020 to S\$5.3 million in 1H 2021.

Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: "*Our topline performance in 1H 2021 was a decent improvement over 1H 2020 and reflected the expansion of our NG Business to also include piped NG, as well as the increase in business and lifestyle activities that were in line with the more relaxed COVID-19 restrictions during that period.*"



Union Gas Holdings Limited
89 Defu Lane 10
Union Gas House
Singapore 539220
www.uniongas.com.sg
Co. Reg. No.: 201626970Z

“Although our bottomline was impacted by higher costs and expenses, it is still an overall healthy results.”

In tandem with weaker earnings in 1H 2021, the Group’s earnings per share fell to 2.29 Singapore cents per share as compared to 3.05 Singapore cents in 1H 2020, while net asset value was 17.32 Singapore cents as at 30 June 2021 (as at 31 December 2020: 17.55 Singapore cents per share). The Group remained in a healthy financial position with sufficient funds for future growth plans and to weather current market volatilities. As at 30 June 2021, it had cash and cash equivalents of S\$30.4 million (S\$34.2 million as at 31 December 2020).

Outlook

As a provider of essential services, the Group has not been significantly impacted by the ongoing COVID-19 pandemic. However, Union Gas is mindful how the prolonged situation and constantly changing social restrictions may impact certain sectors it serves and how this may indirectly affect the Group. As such, the Group will continue to adjust and adapt its operations and marketing activities according to market conditions so as to achieve optimum business growth.

Looking ahead, Union Gas has paved the way for the potential expansion of its business through several actions.

On 17 June 2020, the Group signed a non-binding Memorandum of Understanding (“**MOU**”) with Union Energy Corporation Pte. Ltd. (“**UEC**”), which establishes a framework for the possible acquisition of various strategic and complementary assets by the Group from UEC. The proposed acquisition is subject to further negotiation and the parties entering into a definite sale and purchase agreement.

In March 2021, the Group made two announcements. The first is a collaboration with Surbana Jurong Infrastructure Pte. Ltd. to explore the potential conversion of Union Gas’ Energy fuel station into a multi-energy fuelling station, which the Group believes will cater to Singapore’s future clean energy needs. The second is a non-binding letter of intent that the Group inked with Worldbridge Industrial Developments Limited to potentially expand its operations to the Kingdom of Cambodia, which also marks Union Gas’ first overseas foray.



Union Gas Holdings Limited
89 Defu Lane 10
Union Gas House
Singapore 539220
www.uniongas.com.sg
Co. Reg. No.: 201626970Z

Mr Teo said: *“Our Group will continue to explore and evaluate other strategic opportunities and complementary businesses to diversify, strengthen and grow locally and overseas. Having recently transferred from the Catalist to the Mainboard of the Singapore Exchange Securities Trading Limited in July 2021, the Group now has more options in terms of fundraising activities should there be a need to do so. This gives us greater flexibility to pursue our future plans.”*

-- END --

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 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 sells liquified NG and piped NG to commercial customers and distributes compressed NG primarily to natural gas vehicles via its fuel station as well as to industrial customers for their commercial use.

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

Issued for and on behalf of Union Gas Holdings Limited

August Consulting

Tel: 65 6733 8873

Wrisney Tan, wrisneytan@august.com.sg