**Union Gas Holdings Limited**
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Singapore 348741
www.uniongas.com.sg
Co. Reg. No.: 201626970Z

**FOR IMMEDIATE RELEASE**

# Union Gas achieves record growth in FY2020, net profit surges 64.7%

- *Record financial performance since its Initial Public Offering in 2017, mainly driven by 29.5% revenue growth from LPG Business.*
- *Gross profit margin reaches all-time high of 43.7%.*
- *Proposes final dividend of 2.53 Singapore cents per share, which together with the interim dividend of 0.50 Singapore cents, brings the total dividend for FY2020 to 3.03 Singapore cents.*

| **Financial Highlights (S$ Million)** | **12 months ended 31 Dec** | | |
|---|---|---|---|
| | **FY2020** | **FY2019** | **Change (%)** |
| - LPG Business | 68.4 | 52.8 | 29.5 |
| - Diesel Business | 16.8 | 24.0 | (29.9) |
| - Natural Gas Business | 1.0 | 2.0 | (50.0) |
| **Total Revenue** | **86.2** | 78.8 | 9.4 |
| **Gross Profit** | **37.7** | 29.2 | 29.2 |
| **Gross Profit Margin (%)** | **43.7** | 37.0 | 6.7 pts |
| **Net profit** | **13.9** | 8.4 | 64.7 |
| **Earnings Per Share ("EPS") (Singapore cents) [1]** | **6.06** | 3.68 | 64.7 |
| **Net Asset Value ("NAV") per share (Singapore cents) [2]** | **17.55** | 13.55 | 29.5 |

1. *EPS is calculated based on 228,917,000 and 228,884,000 weighted average number of ordinary shares in issue in FY2020 and FY2019 respectively.*
2. *NAV is calculated based on 228,930,000 and 228,901,000 ordinary shares in issue as at 31 December in 2020 and 2019 respectively.*

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**SINGAPORE, 25 February 2021** – Driven by the strong performance of its liquified petroleum gas ("**LPG**") business, **Union Gas Holdings Limited** (优联燃气控股有限公司) ("**Union Gas**" or together with its subsidiaries, the "**Group**"), has achieved its best performance since its Initial Public Offering in 2017 with both top and bottom-lines reaching record highs for the year ended 31 December 2020 ("**FY2020**"). .

Despite the pandemic, the established provider of fuel products with over 40 years of history, recorded a 64.7% year-on-year ("**YOY**") surge in net profit to S$13.9 million on the back of revenue growth of 9.4% to S$86.2 million in FY2020.

**Segmental Review**

The Group's largest revenue generating segment – **Liquified Petroleum Gas Business ("LPG Business")**, achieved a 29.5% YOY increase in sales to S$68.41 million in FY2020. This was led by strong sales from its domestic LPG segment, which expanded 28.4% to S$39.09 million, due to an increase in home cooking as Covid-19 restrictions made dining-out less convenient. As for the commercial LPG segment, sales increased by 30.7% YOY to S$29.32 million due to the expansion of the Group's commercial business segment through the increase in business volume in the commercial sector and in sales from the acquisition of the LPG manifold systems and piping from Union Energy Corporation ("**UEC**").

As a result, the stellar performance from the Group's LPG Business more than offsets the decline in revenue from its **Diesel Business** and **Natural Gas ("NG") Business**, which fell by 29.9% YOY to S$16.79 million and by 50.0% YOY to S$0.98 million respectively. Diesel sales were affected due to lower demand from motorists because of work-from-home arrangements and lesser travel during the Covid-19 pandemic in 2020. Likewise, demand for compressed NG was also affected by the Covid-19 restrictions and measures imposed by the Singapore Government and fell with the consequent slowdown in economic activities. However, its revenue impact was partially offset by revenue recognised from the Group's new piped NG business, which was launched in November 2020.

**Executive Director and Chief Executive Officer, Mr Teo Hark Piang**（张学彬）, said: *"Although the Covid-19 pandemic caused some disruption to our operations and services due to the safe*

*management measures imposed by the government, our overall performance was still strong because we have the advantage of a diversified business where growth from our strongest segment more than made up for the weaker segments.*

*"This will continue to be our strategy moving forward. In November 2020, we further diversified our NG business to include piped natural gas, which opened an additional revenue stream for our Group. We will be seeking to drive revenue growth for this new business by securing more contracts from new customers."*

Tracking the improved top-line, the Group's Gross Profit rose 29.2% YOY to S$37.68 million with Gross Profit Margin reaching an all-time high of 43.7% in FY2020, or 6.7 percentage points higher than that achieved in the preceding year ended 31 December 2019 ("**FY2019**").

Earnings per share rose in tandem with the positive results, coming in at 6.06 Singapore cent in FY2020 compared to 3.68 Singapore cents in FY2019. Net asset value was 17.55 Singapore cents as at 31 December 2020 (as at 31 December 2019: 13.55 Singapore cents per share). As at 31 December 2020, Union Gas' cash position had strengthened to S$34.2 million in cash and cash equivalents as compared to S$21.0 million as at 31 December 2019. This puts the Group in a strong cash position to fund future strategic growth plans.

To reward shareholders, Union Gas' Board of Directors is pleased to propose a final dividend of 2.53 Singapore cents per share, which together with the interim dividend of 0.50 Singapore cents per share, brings the total dividend in respect of FY2020 to 3.03 cent per share (FY2019 total dividend: 1.85 Singapore cents per share). This represents a payout of 50% of net profit for the financial year.

**Outlook**

The ongoing Covid-19 pandemic has affected each of Union Gas' business segments differently. Although the Singapore Government's safe management measures have been gradually lifted, the Group remains vigilant about the challenges that the macroenvironment may bring and will continue to adapt its operations and marketing activities to nimbly respond to market trends.

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Recent corporate developments have positioned Union Gas for expansion into complementary business segments for strategic growth. These include the Memorandum of Understanding it signed with UEC in June 2020, which may potentially lead to the acquisition of various assets from the latter, and the diversification and broadening of its natural gas business segment in November 2020.

*"We are fully aware of the necessity to remain vigilant about shifting trends and not be complacent about the need to evolve with changing consumer lifestyle patterns as well as the new norms that have emerged from the Covid-19 pandemic. As a provider of fuel products, we must have a broader vision that is in alignment with the government's push towards greener alternatives. On this basis, we will explore and evaluate strategic opportunities and complementary businesses to strengthen and grow our business locally and overseas,"* said **Mr Teo**.

**-- END --**

**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 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 compressed and piped natural gas to motorists and industrial customers respectively.

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

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*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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