

FOR IMMEDIATE RELEASE

Union Gas diversifies into piped and liquefied natural gas; secures contracts with an annual worth of S\$2 million

- *This is the Group's fourth fuel product after liquefied petroleum gas, diesel and compressed natural gas*
- *Enters into agreements with four customers to supply piped natural gas and signs letter of intent with a potential fifth customer to begin technical and feasibility studies for supply of liquefied natural gas*
 - *Intends to leverage its well-recognised brand to win more contracts*

SINGAPORE, 26 November 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, today announced it has diversified into the supply of piped natural gas (“**PNG**”) and liquefied natural gas (“**LNG**”) to customers in the services and manufacturing sector.

In November, the Group successfully secured contracts to supply PNG to four customers who hail from the packaging, food production, hospitality and waste management industries. The Group has also signed a letter of intent with a potential fifth customer to conduct technical and feasibility studies to supply LNG to its food production plant. If successful, the Group believes this development will pave the way for the Group to offer this environmentally-friendly alternative fuel to more customers in Singapore. The total annual worth of these contracts is approximately S\$2 million.

Union Gas had obtained its Gas Licence for Gas Retailer Licensee from the Energy Market Authority since 2017 but was waiting for the opportune time to enter the market. Following the entering into the contracts, PNG and LNG form the Group's fourth fuel product after liquefied petroleum gas (“**LPG**”), diesel and compressed natural gas.

Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: *“Although we had our licence and were ready to supply and retail PNG and LNG since 2017, it was also in that year that we were publicly listed. At that time, we made a decision to focus on growing and expanding our existing business to gain momentum to be on the right trajectory of growth. As our existing business has since gained sufficient traction, we felt that now is the right time to revisit our plans to offer PNG and LNG and promulgate this gas as a viable, sustainable, and environmentally friendly alternative fuel.*

“We are encouraged that this new business is off to a good start with four customers and potentially a fifth coming onboard soon. Union Gas is a well-recognised and trusted homegrown brand known for quality products and reliable services and we intend to leverage this track record and our industry know-how to grow this new segment of our business.”

Between its financial years ended 31 December 2017 and 2019, Union Gas’ revenue and net profit grew at a compound annual growth rate of 41.8% and 55.6% respectively. Despite the COVID-19 pandemic situation in 2020, the Group achieved strong performance for the six months ended 30 June 2020 with net profit surging 76.7% year-on-year to S\$7.0 million on the back of revenue which rose 27.2% to S\$43.2 million. The Group’s healthy showing in recent years was mainly attributed to strong sales of LPG to domestic customers and its entry into the supply of LPG to commercial customers. The new PNG and LNG business is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2020.

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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.

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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