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Union Gas Holdings' expansion and diversification over the years has led to constant and consistent growth. (From left: Deputy chief executive officer Ng Yong Hwee, chief executive officer Teo Hark Piang and business development director Teo Woo Yang.) PHOTO: CHIN FOOK CHEW

# Keeping the tank full

Union Gas Holdings has helped individuals and businesses fuel up for over four decades, thanks to meticulous planning and diversification that has helped it grow from a small sundry shop to the established gas provider it is today

By Gilbert Wong

The friendly neighbourhood hawker centre is home to some of our favourite food, and it takes some choice ingredients paired with a skilful cook to bring out the best flavours. But there is one component that most people hardly think about – fire. Getting the right fire for cooking requires the right fuel, and Union Gas Holdings is the name many people think of when it comes to topping up their supply.

The established fuel provider has been recognised as one of the fastest growing companies in Singapore for the first time in a list compiled by The Straits Times and global research firm Statista.

In 1974, Mr Teo Kiang Ang founded Choon Hin – a humble gas business which would eventually become Union Energy – and operated out of a sundry shop in Marine Terrace delivering the iconic blue gas cylinders we know today around the country.

Since then, the company has experienced immense growth,

**“ In just three to four years, we have grown quite significantly. Although we have many acquisitions, we continue to build on our LPG base because we see that as our core bread-and-butter business which is part of the history of the family. ”**

Mr Ng Yong Hwee, deputy chief executive officer, Union Gas Holdings

forming Union Energy Corporation, diversifying into Union Gas, which handled compressed natural gas (CNG), and restructuring and unifying into Union Gas Holdings today. This growth was largely possible due to prudent decisions and acquisitions made over the years and has solidified the organisation's place as one of Singapore's key fuel product providers.

### Diversification, expansion and services

Over the years, Union Gas Holdings

has widened its scope of products and services, and supplies three forms of fuel – liquid petroleum gas (LPG), CNG and diesel – to its residential and commercial customers, expanding its reach into several markets. But it was the move in 2000 to acquire a gas-bottling plant that allowed business to improve and revenue to skyrocket.

In recent years, Union Gas Holdings has kept up its impressive growth, achieving a compound annual growth rate of 30.2 per cent from 2016 to 2019. The company

has also managed to maintain its performance last year despite the Covid-19 pandemic, recording S\$43.2 million in revenue in the first half of 2020, up from S\$34 million in first-half 2019.

For its deputy chief executive officer Ng Yong Hwee, the key to its consistent progress is a series of smart business decisions and acquisitions. “Since our IPO in 2017, we have acquired and added new businesses every year,” says Mr Ng. “In April 2018, we acquired the Sengas supply and, in May, we expanded into commercial business for LPG, mainly to hawker centres, growing from zero to 45 hawker centres in a span of a few years.”

The following January, Union Gas Holdings incorporated Union LPG Pte Ltd to provide fuel for more commercial customers such as coffee shops and central kitchens.

“In just three to four years, we have grown quite significantly. Although we have many acquisitions, we continue to build on our LPG base because we see that as our core bread-and-butter business which is part of the history of the family,” says Mr Ng.

In the residential space, the company supplies LPG to around 200,000 households today with its fleet of 300 vehicles. In addition, its Cnergy fuel station, built in 2009 and recognised as the largest CNG station in the world, provides and distributes CNG and diesel for both industrial and public use.

### Old connections, modern solutions

The importance of the LPG side of business is clear for Union Gas Holdings, and it has worked to continually improve the service efficiency in this space over the years. In 2017, it launched the UNIONSG mobile app to help streamline the order process and

provide cashless payment options for all its customers.

While technological advancement is an important step forward, Mr Ng also recognises that it is the emotional connection and rapport built with customers over the years that has made Union Gas Holdings stand out.

“We are very careful about embracing technology without losing the human touch. Technology is often faceless; we don't want customers to just talk to a machine and press a button,” he emphasises. This connection with customers is maintained from its customer-service centre down to the delivery man who replaces gas cylinders.

“Even the short interaction between a driver and a customer is a conversation and a way to build this touch point,” says Mr Ng. “This differentiates us from the others.”

### Fuelling up for the future

As a company that provides fuel products, Union Gas Holdings is also on the lookout for new ways to be more sustainable.

Mr Ng acknowledges that the company's energy footprint is something that is important to monitor, and recognises the need for improvements. One area that has been considered is the use of more eco-friendly vehicles for deliveries along with improving and upgrading its service station to demonstrate a stronger effort to going green.

Moving forward, the company has also recognised the cleaner nature of natural gas and it is eager to be able to provide this fuel source. Since November last year, Union Gas Holdings has taken steps to diversify its fuel offerings even further to piped natural gas (PNG) and liquefied natural gas (LNG) – its fourth fuel product – cementing its intent to provide these fuel alternatives which are friendlier to the environment.

“We had our license and were ready to supply and retail PNG and LNG since 2017, but we made a decision to focus on growing and expanding our existing business to gain momentum to be on the right trajectory of growth,” says executive director and chief executive officer Teo Hark Piang. “As our existing business has since gained sufficient traction, we feel that it 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.”

MILESTONE

1974

Union Energy was founded by Mr Teo Kiang Ang under Choon Hin Company. It operated from a sundry shop in Marine Terrace.

1997

Expanded focus to include commercial and industrial customers and obtained LPG cylinders from SPC instead of Caltex

2008

Union Energy Pte Ltd incorporated to consolidate distribution of bottled LPG cylinders to households under one single entity.

2015

Ventured into the diesel business, including transport, distribution and bulk sale of diesel to commercial customers.

2018

Expanded to commercial for LPG and provided gas to 45 hawker centres

1980s

Appointed as a dealer for Caltex Singapore to distribute bottled LPG cylinders to households.

2002

Restructured to consolidate LPG business under Union Energy Corporation Pte Ltd (UEC) together with its subsidiaries (UEC Group) through seven separate entities.

2009

Ventured into CNG through Union Gas Pte Ltd and built a CNG fuel station at 50 Old Toh Tuck Road – the largest CNG fuel station in the world.

2017

Acquired Union Energy and Union Gas from UEC Group as part of restructuring exercise into Union Gas Holdings Limited, and listed on SGX; launched the UNIONSG mobile application for placing online orders.

2021

Recognised as one of Singapore's Fastest Growing Companies by Statista and The Straits Times.

