



FOR IMMEDIATE RELEASE

## Union Gas achieves revenue growth of 11.6% to S\$68.3 million in 1H2022

- *Topline improvement driven by higher revenue achieved by all three business segments and new contribution from its new piped natural gas business.*
- *Declares interim dividend of 0.20 Singapore cent per share, which represents 26% of net profit for 1H2022.*

Financial Highlights (S\$ Million)	6 months ended 30 Jun		
	1H2022	1H2021 (Restated)	Change (%)
Total Revenue	68.3	61.2	11.6
Gross Profit	17.8	25.0	(29.0)
Net profit	2.4	14.4 <sup>c</sup>	(83.0)
Earnings Per Share ("EPS") (Singapore cents) <sup>a</sup>	0.77	4.59	(83.2)
Net Asset Value ("NAV") per share (Singapore cents) <sup>b</sup>	18.41 (as at 30 Jun 2022)	17.64 (as at 31 Dec 2021)	4.4

- a. *EPS is calculated based on 317,618,000 and 313,051,000 weighted average number of ordinary shares in issue in 1H2022 and 1H2021 (Restated) respectively.*
- b. *NAV is calculated based on 317,618,000 ordinary shares in issue as at both 30 June 2022 and 31 December 2021.*
- c. *Excluding one-off gains from the disposal of a subsidiary, an insurance compensation and pay-outs from the Singapore government's Jobs Support Scheme, the Group's net profit in 1H2021 would have been S\$5.6 million.*

**SINGAPORE, 12 August 2022** – Boosted by higher revenue generated by all its three business segments, **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 delivered healthy topline growth of 11.6% year-on-year ("**YOY**") to S\$68.3 million for the six months ended 30 June 2022 ("**1H2022**") from S\$61.2 million in the corresponding period in 2021 ("**1H2021**").



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

On a segmental basis, higher sales to industrial and commercial customers raised revenue generated by its **LPG Business** by 4.9% YOY to S\$53.3 million in 1H2022, while its **Diesel Business** expanded 41.2% YOY to S\$13.2 million, which was attributable to higher selling prices due to an increase in fuel prices. Registering the strongest YOY revenue growth of 73.5% to S\$1.83 million in 1H2022 was the Group's **NG Business** and this was attributed mainly to the Group's expansion from the provision of compressed NG to also include piped NG and liquefied NG. The new revenue stream had contributed a 154.0% YOY increase in sales to the total NG segment.

In terms of profitability, the Group's gross profit fell 29.0% YOY to S\$17.8 million in 1H2022 mainly due to a significant increase in cost of sales during the period to S\$50.6 million as compared to S\$36.2 million in 1H2021. The higher cost of sales was a function of international fuel prices, which had risen considerably since the start of the war between Russia and Ukraine that resulted in major disruptions to oil and gas supply chains as well as inflationary pressures. In line with this, net attributable profit came in at S\$2.4 million in 1H2022 as compared to S\$5.6 million<sup>1</sup> in 1H2021.

**Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬)**, said: *"The operating environment has become very challenging amidst rising costs and recessionary concerns. Having been in the business for over 40 years, we have weathered many economic cycles and navigated through the ever-changing environments and difficult situations by working closely with our customers to achieve mutually beneficial outcomes. This period is no different. Despite higher fuel prices, we chose not to pass on the full increase in costs to our customers but kept prices at a level that was sustainable for both sides. This affected our profitability in 1H2022, but it presented an opportunity for us to gain market share and retain customers. We are also mindful that from a longer-term perspective, our customers' performance will ultimately have an impact on us and therefore it is in our interest to offer them some support.*

*"On a positive note, we are pleased to see that the diversification of our NG business to include piped and liquefied NG has continued to yield results. Meanwhile, we have been actively growing our*

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<sup>1</sup> Excluding one-off gains from the disposal of a subsidiary, an insurance compensation, and pay-outs from the Singapore government's Jobs Support Scheme, which amounted to nearly S\$8.8 million in 1H2021.



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*customer base and since 2019 to-date, the number of customers for our domestic LPG segment has expanded by 22.0%.”*

Reflecting its performance, the Group’s earnings per share fell to 0.77 Singapore cents in 1H2022 as compared to 4.59 Singapore cents in 1H2021. As at 30 June 2022, net asset value was 18.41 Singapore cents per share (as at 31 December 2021: 17.64 Singapore cents per share). The Group remained in a healthy financial position for future growth plans and to weather current market volatilities. As at 30 June 2022, it had cash and cash equivalents of S\$11.4 million (S\$14.2 million as at 31 December 2021).

Besides the goodwill it has shown to its customers, the Group has declared an interim dividend of 0.20 Singapore cent per share, which represents 26.0% of net profit for 1H2022, to thank and reward shareholders for their continuing support.

#### **Outlook**

Union Gas is optimistic that its industry prospects remain positive due to the essential nature of its business as well as the potential to further exploit opportunities within the LPG supply chain of which the Group has full control of procurement of LPG to bottling, to storage, distribution, wholesaling and retailing. Such opportunities include the possibilities of extending the distribution of bottled LPG cylinders beyond its current retail customers into the wholesale space and also to expand its services to include bottling, refilling and storage of LPG cylinders to non-affiliated entities.

*“These are potential new revenue streams within the LPG supply chain that the Group has not tapped on. They present growth opportunities that will enhance our business resilience and we are actively evaluating them,”* commented **Mr Teo**.

Union Gas is mindful that uncertainties in the macroenvironment may continue to have an impact on its business costs and is monitoring the situation closely. The Group will implement the necessary measures to protect its bottom line, including increasing the prices of its energy products.

The Group remains on the lookout for further diversification and strategic opportunities to expand into complementary businesses both locally and overseas.



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*“Brands come and go. But Union Gas is an established homegrown brand that truly lives up to its slogan ‘Trusted by Generations’. We have served many generations and we will step up to serve many more generations of Singaporeans with our energy products for years to come. We have successfully weathered many difficult challenges before and our stakeholders can be assured that we will do it again,”* said **Mr Teo**.

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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”), Natural Gas (“NG”), and Diesel.

Listed on the Mainboard of Singapore Exchange Securities Trading Limited, Union Gas is one of the leading suppliers of LPG in Singapore. The Group has a fleet of more than 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. The Group owns LPG storage depots as well as two out of four bottling LPG bottling plants in Singapore, giving it full control of the entire LPG supply chain from procurement of LPG to bottling, to storage, distribution, wholesaling and retailing.

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 provides liquefied NG and piped NG to industrial customers and distributes compressed NG primarily to natural gas vehicles via its fuel station as well as to industrial customers for their commercial use. Union Gas sells and distributes diesel to retail customers at its “Cnergy” fuel station and transports, distributes and bulk sells diesel to commercial customers.

For more information, please visit [www.uniongas.com.sg](http://www.uniongas.com.sg).

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**Issued for and on behalf of Union Gas Holdings Limited**

***August Consulting***

Tel: 65 6733 8873

Wrisney Tan, [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)

Rita Ng, [ritang@august.com.sg](mailto:ritang@august.com.sg)