

FOR IMMEDIATE RELEASE

Union Gas achieves new revenue record of S\$134.8 million

- *Improvement in topline driven by revenue growth across all three business segments.*
- *Proposes final dividend of 0.3 Singapore cents per share, which together with the interim dividend of 0.2 Singapore cents per share, brings the total dividend for FY2022 to 0.5 Singapore cents.*

Financial Highlights (S\$ Million)	12 months ended 31 Dec		
	2022	2021	Change (%)
Revenue from:			
- Liquefied Petroleum Gas (“LPG”)	105.6	102.0	3.6
- Diesel	25.3	18.8	34.1
- Natural Gas (“NG”)	3.9	2.3	72.9
Total Revenue	134.8	123.0	9.6
Gross Profit	35.2	41.6	(15.4)
Gross Profit Margin (%)	26.1	33.8	(7.7% pts)
Net profit	5.2	14.9	(65.0)
Earnings Per Share (“EPS”) (Singapore cents) #	1.64	4.74	(65.4)
Net Asset Value (“NAV”) per share (Singapore cents)*	18.3	17.6	4.0

Calculated based on weighted average number of ordinary shares of 317,687,000 and 314,584,000 ordinary shares for FY2022 and FY2021 respectively.

* Calculated based on 317,767,000 and 317,618,000 ordinary shares in issue as at 31 December in 2022 and in 2021 respectively.

SINGAPORE, 27 February 2023 – Union Gas Holdings Limited (优联燃气控股有限公司) (“Union Gas”, the “Company” together with its subsidiaries, the “Group”), has topped its previous financial year’s record revenue performance. For the 12 months ended 31 December 2022 (“FY2022”) the Group achieved total revenue of S\$134.8 million versus S\$123.0 million in the corresponding period in 2021 (“FY2021”) driven by revenue growth across all three business segments.

Singapore’s business and leisure activities have resumed, following the lifting of Covid-19 restrictions in April 2022, and this was reflected in the higher sales volumes achieved by two out of three business segments of the Group.

In FY2022, the Group's **LPG Business**, which remained its largest revenue generator, recorded a 3.6% year-on-year ("YoY") increase in revenue to S\$105.6 million due to higher sales to industrial and commercial customers. Likewise, the Group's **NG Business**, which caters mainly to industrial customers, also enjoyed higher sales volumes with revenue expanding 72.9% YoY to S\$3.9 million. The Diesel Business grew 34.1% YoY to S\$25.3 million due mainly to an increase in selling prices caused by higher fuel prices.

The Group's gross profit was affected by higher direct material cost due to geopolitical tensions and supply chain disruptions that drove up international fuel prices during the financial year in review. As a result, gross profit declined 15.4% YoY to S\$35.2 million due to a 22.3% increase in cost of sales to S\$99.6 million in FY2022.

Although the Group's cost management measures had reduced its overall expenses, net attributable profit came in at S\$5.2 million in FY2022 versus S\$14.9 million in FY2021 mainly due to lower other income, which declined from S\$11.6 million to S\$3.5 million. This was mainly due to the absence of a one-off gain on disposal of subsidiary, a one-off insurance claim and the government grant income from Job Support Scheme, which were recorded in FY2021.

Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: *"The ongoing conflict between Russia and Ukraine kept international fuel prices high in FY2022. Although we adjusted the selling prices of some products to remain competitive, we continued to absorb a large portion of the price hikes especially for domestic customers, because we wanted to help them cushion some inflationary impact. This eroded our gross profit margin, which declined 7.7 percentage points YoY to 26.1%. Looking ahead, we intend to continue doing our best to support all our customers amid the volatility in energy prices, however we will monitor the situation closely and make the necessary adjustments to ensure the sustainability of our business."*

As at 31 December 2022, the Group remained on healthy financial footing with cash and cash equivalents of S\$12.2 million (S\$14.2 million as at 31 December 2021).

Dividend

The Board of Directors has proposed a final ordinary dividend of 0.3 Singapore cents per share, which together with the interim dividend of 0.2 Singapore cents per share, brings the total dividend for FY2022 to 0.5 Singapore cents.

Outlook

Union Gas believes the outlook for its business remains positive. The Group is confident that the essential nature of its business and its control over the LPG supply chain enhances its resilience against economic cyclicality. It has built up considerable goodwill for its brand and established longstanding relationships with its customers over more than four decades in the business.



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At the same time, the Group is mindful that direct material costs may be persistently high as long as the conflict in Eastern Europe is unresolved. To mitigate any impact, the Group continues to exercise financial prudence to curb costs, while increasing operational efficiency to drive further productivity.

Mr Teo said: *“There will always be challenges and uncertainties but Union Gas has always set its sights on building a resilient business. That is how we became a brand that is trusted by generations and we believe we will serve many more generations to come.”*

The Group will continue to explore and evaluate strategic opportunities and complementary businesses to diversify, strengthen and grow its business both locally and overseas.

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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 nearly 300 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, 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 liquified 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.

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

Issued for and on behalf of Union Gas Holdings Limited

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