

**POWERING  
GROWTH  
BUILDING  
TOMORROW**

ANNUAL REPORT 2024





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# CORPORATE PROFILE



**An established  
provider  
of fuel products  
in Singapore  
with over  
40 years of  
operating  
track record.**

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 main business segments include Liquefied Petroleum Gas (“**LPG**”), Natural Gas (“**NG**”) and Diesel.

Union Gas is a major LPG player in Singapore. The Group’s integrated operations give it ownership and control of the entire LPG supply chain from procurement to bottling and from storage to wholesaling and retailing. The Group owns two out of the four bottling licenses and bottling plants in Singapore, which gives it the largest bottling operations in the city-state. The Group is one of the biggest suppliers of bottled LPG cylinders to domestic households in Singapore under the well-recognised “Union” and “Sungas” brands. It also supplies LPG to the commercial and industrial segments both in the retail and wholesale space, and provides bottling and refilling of LPG cylinders to non-affiliated entities.

Union Gas’ NG business includes the provision of compressed NG (“**CNG**”), liquefied NG, and piped NG. It produces, sells and distributes CNG at its “Cnergy” fuel station at 50 Old Toh Tuck Road. The Group also sells and distributes diesel to retail customers at its “Cnergy” fuel station and transports, distributes and bulk sells diesel to commercial customers.

In 2024, Union Gas diversified its business both geographically and segmentally. The Group entered the electric vehicle charging space with charging stations located at its headquarters in Defu and at its “Cnergy” fuel station. Additionally, it commenced a new business in Batam, Indonesia, that is primarily involved in the supply of industrial gases.

Union Gas is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (Stock code: 1F2). The Group has been recognised for its efforts in corporate governance. It was named “Most Transparent Company” at the SIAS Investors’ Choice Awards in 2019 and again in 2024.

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

## OUR BUSINESS SEGMENTS



### LPG Business

Union Gas' LPG Business is its main revenue generator contributing about 80% of total sales annually. Its LPG operations span the entire value chain, making the Group one of the largest LPG players in Singapore.

Besides supplying LPG cylinders to domestic households, Union Gas' retail LPG business extends to the commercial and industrial segments, including the provision of LPG and LPG-related services and accessories to hawker centres, coffee shops, eating houses, commercial central kitchens and industrial customers.

In addition, Union Gas is involved in the retail sale of LPG-related accessories, such as stoves, hoods, rubber hoses and regulators to mainly domestic households in mature and/or older estates and landed housing in Singapore. Its small cylinders are also sold to dormitories, certain industrial customers and supplied to corporate and private events.

Union Gas owns one of the largest delivery fleets in Singapore with more than 190 vehicles to support island-wide distribution. Its call-centre has more than 20 customer service officers and operates all year round to take orders. For the convenience of customers, the Group accepts orders and e-payments via QR codes and on its website at <https://order.uniongas.com.sg>.

### NG Business

Union Gas operates a 24-hour fuel station under the "Cnergy" brand at 50 Old Toh Tuck Road, where it produces, sells and distributes CNG primarily to natural gas vehicles and industrial customers for their commercial use. The station has 14 compressed NG dispensers with two (2) nozzles each and is open to the public.

In 2020, the Group diversified into the supply of piped NG and liquefied NG to customers in the services and manufacturing sectors.

### Diesel Business

Since August 2015, the Group sells and distributes diesel to retail customers. Its "Cnergy" station has five (5) diesel dispensers with four (4) nozzles each and two (2) 20,000-litre underground diesel storage tanks that houses its diesel supply. Union Gas also transports, distributes and bulk sells diesel to commercial customers.

# MESSAGE TO SHAREHOLDERS



## Dear Shareholders

The year that ended 31 December 2024 (“**FY2024**”) was a good year for Union Gas as we achieved a healthy set of results in spite of the challenging macro environment.

The Group delivered a healthy 2.2% year-on-year (“**YoY**”) increase in earnings to S\$12.5 million despite a slight fall in revenue to S\$125.5 million from S\$128.9 million the year before (“**FY2023**”). This translated to an earnings per share of 3.93 Singapore cents in FY2024 from 3.85 Singapore cents in FY2023.

Segmentally, sales from our largest revenue generating LPG business dipped slightly by 1.3% YoY to S\$105.0 million while our NG business declined by 22.5% YoY to S\$4.8 million mainly due to a fall in sales volume recorded by both business segments. Sales from our Diesel business also decreased by 4.1% YoY due to lower selling prices during the year.

Our results reflected the success of our ongoing efforts to manage costs and expenses while driving efficiencies across our operations. This has greatly enhanced the Group’s profitability and protected our margins despite the volatility

of raw material prices, inflationary pressures and other challenges in our operating environment.

As at 31 December 2024, our balance sheet remained strong with cash and cash equivalents of S\$12.6 million as compared to S\$13.2 million as at 31 December 2023. Net asset value per share rose to 24.41 Singapore cents as compared to 21.58 Singapore cents over the same period.

In line with our performance and our track record of regularly returning value to shareholders, the Board of directors has proposed a final dividend of 1.00 Singapore cent per ordinary share, which together with the interim dividend of 0.60 Singapore cent per ordinary share, brings total dividend per share for the year to 1.60 Singapore cents in respect of FY2024.

## **FY2024 corporate developments**

As the needs of our customers continue to change and evolve, Union Gas took definitive steps in FY2024 to further diversify our business geographically and segmentally with an eye on their future requirements.

## MESSAGE TO SHAREHOLDERS

In March 2024, we formally announced our entry into the electric vehicle (“EV”) charging space. As part of our first steps into the business, we have four charging nozzles at our headquarters in Defu and another four at our Energy brand fuel station at Old Toh Tuck Road.

In November 2024, we announced the incorporation of our 95% owned subsidiary, PT Global Industrial Gases (“PT GIG”), to operate our new business in Batam, Indonesia, which is primarily involved in supplying industrial gases to industries such as shipping and manufacturing. We are optimistic about this new business as it shares strong synergies with our existing business and leverages our expertise in the production and distribution of LPG and NG.

Although both these two new businesses are in the early stages and have yet to contribute meaningfully to our topline, they represent new revenue streams for the Group that have the potential to grow. In addition, they reflect our commitment to expand our product offerings while we continue to look for opportunities to strengthen our leadership position in traditional energy products.

To develop the new businesses, we intend to increase the number of EV charging nozzles at our existing locations and also exploring new locations where we can set up charging stations. Meanwhile, we are studying the feasibility of constructing a new factory to support the expansion of PT GIG’s product offerings to include more gasses.

### Outlook

We continue to believe that the outlook for Union Gas’ business remains positive due to the essential nature of the products we supply.

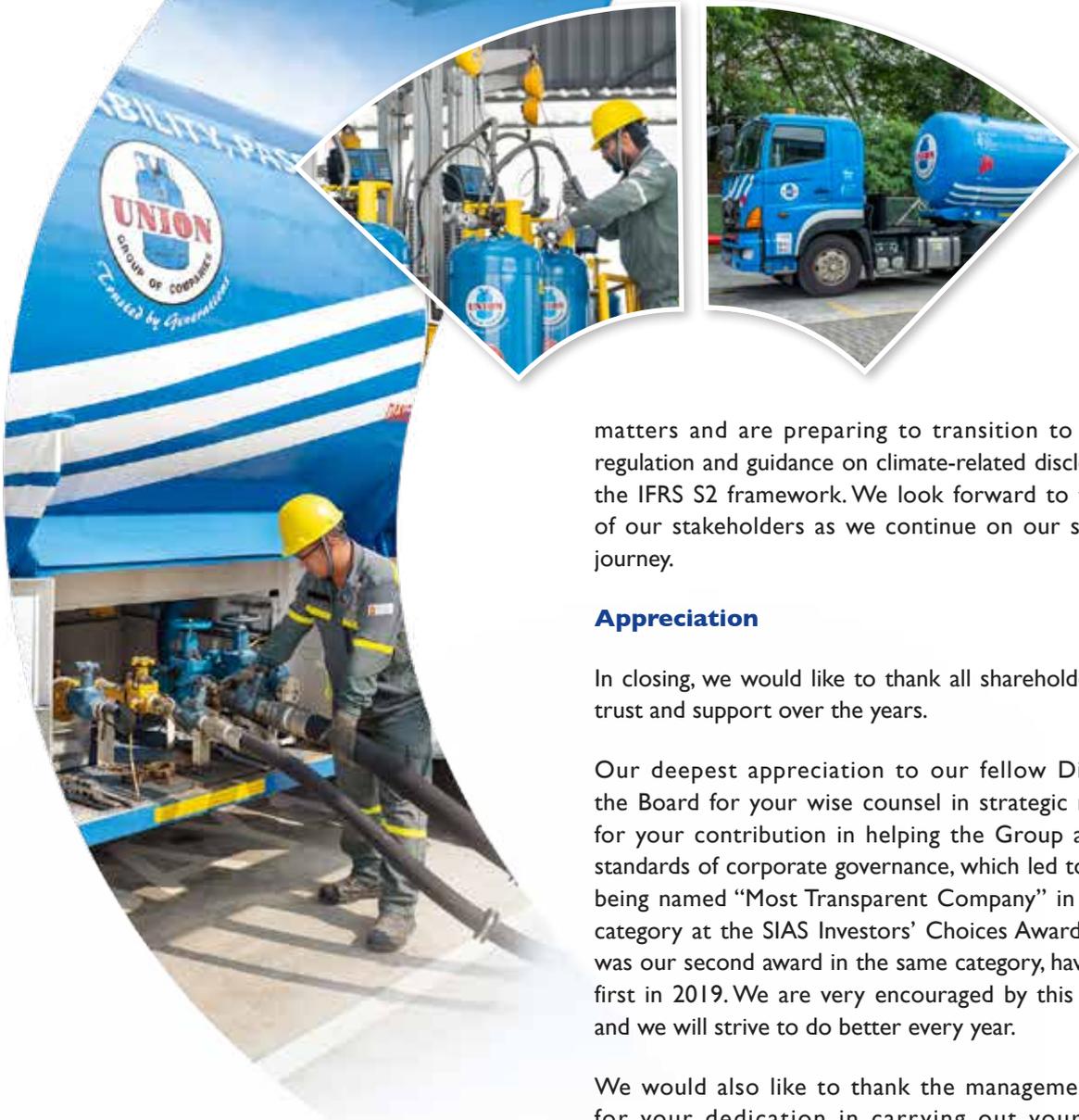
Our LPG business is stable, driven by consistent demand across residential, commercial, and industrial sectors, while we are optimistic about our NG business because of the government’s ambitions to establish Singapore as Asia’s trading hub for liquefied NG and increasing investments in infrastructure to meet both domestic and regional demand.

As for our diesel business, market conditions are evolving because of changing policies such as the ban on new taxi and diesel car registrations, except for commercial vehicles, since 1 January 2025. However, the total sales volume of diesel has increased in FY2024 compared to FY2023. Union Gas has aligned its marketing strategies by focusing more on diesel supply to commercial vehicles and bulk industrial sales. Union Gas has also embarked on more sustainable businesses such as EV charging and we are actively exploring others.

The Group remains watchful of global developments that may lead to economic uncertainties. While events such as geopolitical conflicts and trade tensions may not have direct impact on our business, they lead to inflationary pressures and supply chain disruptions that may increase our cost of operations. They may also impact consumer and business sentiment which will affect demand-supply dynamics.



## MESSAGE TO SHAREHOLDERS



We will remain financially prudent and constantly explore ways to enhance productivity through automation and digitalisation. We are also keen to consider strategic partnerships both locally and regionally that are complementary to our business.

### Sustainability

In FY2024, we continued to make improvements in the areas of Environmental, Social and Governance (“ESG”). We are pleased to share our eighth Sustainability Report which is published together with this Annual Report and covers our ESG performance for the year. In the coming year, we will be embarking on a review of our material sustainability related

matters and are preparing to transition to SGX’s new regulation and guidance on climate-related disclosures using the IFRS S2 framework. We look forward to the support of our stakeholders as we continue on our sustainability journey.

### Appreciation

In closing, we would like to thank all shareholders for your trust and support over the years.

Our deepest appreciation to our fellow Directors on the Board for your wise counsel in strategic matters and for your contribution in helping the Group achieve high standards of corporate governance, which led to Union Gas being named “Most Transparent Company” in the utilities category at the SIAS Investors’ Choices Awards 2024. This was our second award in the same category, having won the first in 2019. We are very encouraged by this recognition, and we will strive to do better every year.

We would also like to thank the management and staff for your dedication in carrying out your roles and responsibilities and your contribution in making Union Gas a brand that is trusted by generations.

Finally, we want to thank all our business partners and customers and look forward to the many more win-win outcomes we will achieve together.

### Teo Kiang Ang

Non-Executive Chairman

### Teo Hark Piang

Executive Director and CEO

## BOARD OF DIRECTORS



### **TEO KIANG ANG**

*Founder and Non-Executive Chairman*

*Date of First Appointment | 3 October 2016*

*Last Re-Elected | 30 April 2024*

*Current and Past Directorships in Listed Companies | Nil*

Having founded the business as a sole proprietorship in 1974, Mr Teo has more than five decades of experience in the LPG market in Singapore and has deep knowledge and understanding of the business. He is responsible for formulating our Group's strategic focus and direction. Mr Teo is also the Chairman of Union Solar Pte Ltd, a solar energy solutions provider. He is also the Founder and Chairman of Trans-Cab which is principally engaged in the operation of taxi services in Singapore. For his contributions to public service, he was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 2011 and the Public Service Star (Bintang Bakti Masyarakat) in 2021.



### **TEO HARK PIANG**

*Executive Director and Chief Executive Officer ("CEO")*

*Date of First Appointment | 1 November 2018*

*Last Re-Elected | 28 April 2022*

*Current and Past Directorships in Listed Companies | Nil*

Mr Teo has more than 20 years of experience in the manufacture of gas, the distribution of gaseous fuels through mains, and the general wholesale gas trade in Singapore. Before taking over the role of CEO of our Group in April 2019, he was our Director of Sales (Commercial and Industrial) responsible for overseeing the marketing strategies of our commercial and industrial segments.

Mr Teo was an Executive Director of Union Energy Corporation Pte. Ltd. ("**UEC Group**") between 2003 and 2018. He remains a Non-Executive Director in UEC Group. Mr Teo was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 2015 and the Public Service Star (Bintang Bakti Masyarakat) in 2023 for his contributions to the community. He is active in the Teochew community in Singapore and is currently serving as Chairman of the Teo Ann Huay Kuan (潮安会馆), Vice President of the Teochew Poit Ip Huay Kuan (潮州八邑会馆) and Teochew Federation (Singapore) (新加坡潮州總會). He is also active in clan associations and is currently the President of the Chang Clan Association (新加坡张氏总会) and the World Zhang Clan General Association (世界張氏總會).

## BOARD OF DIRECTORS



**LOO HOCK LEONG**  
*Lead Independent Director*

*Date of First Appointment | 20 June 2017*

*Last Re-Elected | 27 April 2023*

*Chairman | Audit Committee*

*Member | Remuneration Committee & Nominating Committee*

*Current Directorships in Listed Companies | IFS Capital Limited, Independent Non-Executive Director, ARC Chairman*

*Past Directorships in Listed Companies | Nil*

Mr Loo has more than 30 years of extensive banking and corporate experience. He is currently the Chief Financial Officer cum Chief Operating Officer of Parkway Trust Management Limited, Manager of Parkway Life REIT. He was previously the Senior Vice President, Corporate Advisory of Global Financial Markets with DBS Bank where he provided advisory services on corporate treasury management to large corporations in the areas of corporate finance and mergers and acquisitions. He has extensive experience in financial structuring of interest rate and foreign exchange risk management solutions for these clients. Mr Loo graduated from the National University of Singapore with a Bachelor of Electrical Engineering (Hons) degree in 1995. In 2000, he obtained a Masters of Applied Finance from Macquarie University with three distinguished awards: Best Overall Performance, Best in Derivatives Valuation and Best in Legal & Tax Risk in Finance.

Mr Loo completed the Advanced Management Programme with Harvard Business School in 2022. He also has a professional qualification in accounting from the Institute of Singapore Chartered Accountants (“**ISCA**”) and is a Chartered Accountant with ISCA. He is a Senior Accredited Director by Singapore Institute of Directors (“**SID**”). He is also a GRI Certified Sustainability Professional.



**YEE CHIA HSING**  
*Independent Director*

*Date of First Appointment | 30 April 2024*

*Chairman | Remuneration Committee*

*Member | Audit Committee & Nominating Committee*

*Current Directorships in Listed Companies | Beng Kuang Marine Limited, Hiap Tong Corporation Ltd, Yangzijiang Shipbuilding (Holdings) Limited, Zhongmin Baihui Retail Group Ltd.*

*Past Directorships in Listed Companies | First Sponsor Group Limited, Datapulse Technology Limited, Ezion Holdings Limited*

Mr Yee has significant experience in corporate finance, capital markets and management with more than 20 years in the banking and finance industry. After his banking career, he went on to head a health supplements division of a SGX-listed company, before taking on the Executive Director/CEO role in another SGX-listed company with hospitality assets.

Mr Yee is a Member of the Audit Committee of Ren Ci Hospital (non-director role). He also sits on the boards of Beng Kuang Marine Limited, Hiap Tong Corporation Ltd, Yangzijiang Shipbuilding (Holdings) Ltd and Zhongmin Baihui Retail Group Ltd as Independent Director. Mr Yee also served as a Member of Parliament of Chua Chu Kang GRC (“Nanyang division”) from 2015 to 2020. He has a First-Class Honours degree in Accountancy from Nanyang Technological University Singapore.

## BOARD OF DIRECTORS



### **HENG CHYE KIOU**

*Independent Director*

*Date of First Appointment | 20 June 2017*

*Last Re-Elected | 27 April 2023*

*Chairman | Nominating Committee*

*Member | Remuneration Committee & Audit Committee*

*Current and Past Directorships in Listed Companies | Nil*

Mr Heng previously served as the Executive Director and CEO of VICOM Ltd for 17 years before retiring on 30 April 2012. He was Chairman of the Institute of Technical Education's Automotive Training Advisory Committee from May 1999 to April 2002, and Chairman of the School Advisory Committee of National Junior College from February 1995 to February 2017. For his contribution to education, he was conferred the Public Service Medal (Pingat Bakti Masyarakat) in 2001 and the Public Service Star Award in 2013. Mr Heng holds a Bachelor of Engineering (Mechanical) from the University of Singapore and a Master of Science (Industrial Engineering) from the National University of Singapore.

## KEY EXECUTIVES

### TEO WOO YANG

*Business Development Director*

Mr Teo was appointed Business Development Director of the Group since October 2019. He is responsible for the business operations of our CNG, Diesel and LPG domestic households segments as well as the procurement, management information system and marketing activities of the Group. He joined UEC Group in 2013 as a director of UEC Group's wholly-owned subsidiary, Health Domain Pte. Ltd., responsible for driving the sales of its flagship product "Dr Oatcare" and "Bone Biopro". Between, 2017 and 2019, Mr Teo was concurrently involved in the snack industry including Siantan Frenzies Snacks LLP and Royal International Trading LLP, where he was responsible for sales, business development and setting up production lines for items such as salted-egg flavoured snacks, durian mooncakes and pastries. Mr Teo is the brother of our Executive Director and CEO, Mr Teo Hark Piang.

### SIM LAI KITT

*Group General Manager*

Mr Sim was appointed Group General Manager in 2023. He is responsible for the sales, operations, services and maintenance of the Group's LPG commercial and industrial businesses as well as support sales and operations of the LPG domestic households business. Mr Sim is also in charge of customer satisfaction and retention for the overall LPG business. He has extensive experience in LPG having started with UEC Group as a technician in 1999 and subsequently given the role of project supervisor, managing a team that handled piping and servicing. In 2004, he was involved in the successful expansion of the Union Gas' LPG business into the hawker centre segment and has since taken on several managerial positions within the Group including Project Manager (2005), Business Development Manager (2010) and Head of LPG Commercial (2019). He was redesignated as Head of Commercial & Industrial LPG Sales in 2020 before assuming his current role.

### HONG PAY LENG

*Chief Financial Officer*

Ms Hong was appointed Chief Financial Officer of our Group in January 2020. She is responsible for the functions of financial reporting and its related regulatory compliance matters, business acquisition and treasury for the Group. She has more than 20 years of finance and accounting experience in various industries and cross-border businesses including more than 10 years of corporate experience in companies listed on the SGX Mainboard. Ms Hong is a Fellow Chartered Accountant with ISCA, a Fellow Member of The Association of Chartered Certified Accountants ("ACCA"), a member of the SID and she holds a Master in Business Administration from the University of South Australia.

## KEY EXECUTIVES

### ALEXIS TEO

*General Manager (Plant Operations)*

Ms Teo was appointed as General Manager (Plant Operations) in August 2019. She is responsible for developing and maintaining relationships with our suppliers and wholesale customers as well as overseeing the daily operations of the bottling plants. She has over 20 years of experience in the LPG industry in Singapore. Ms Teo was a Deputy Manager for 13 years with Summit Gas Systems Pte. Ltd., previously a wholly-owned subsidiary of UEC Group which is engaged in the manufacturing, processing and the sale of LPG, where she was responsible for plant operations and facilities management. Ms Teo has a Bachelor of Commerce from Murdoch University, Perth, Western Australia. She is the sister of our Executive Director and CEO, Mr Teo Hark Piang.

### SYLVIA LIO

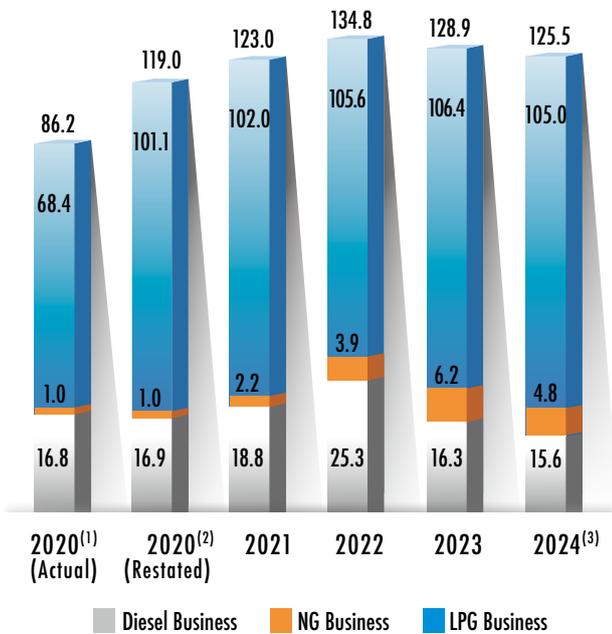
*Chief Accounting Officer*

Ms Lio was appointed as Chief Accounting Officer in September 2017. She reports to the Chief Financial Officer. With more than 20 years of experience in the accounting and finance fields, she is responsible for the finance and accounting functions of the Group. Before joining the Group in October 2016, she was a Senior Manager for Accounting in UEC Group where she was responsible for financial management, accounting and management reporting as well as financial operations of the entities within the UEC Group. She is a Fellow Member of ACCA and a Chartered Accountant with ISCA.

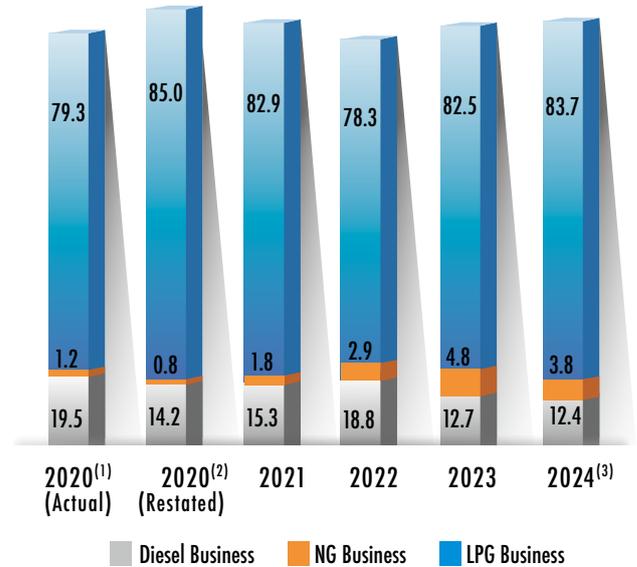
# FINANCIAL HIGHLIGHTS

Financial year ended 31 December

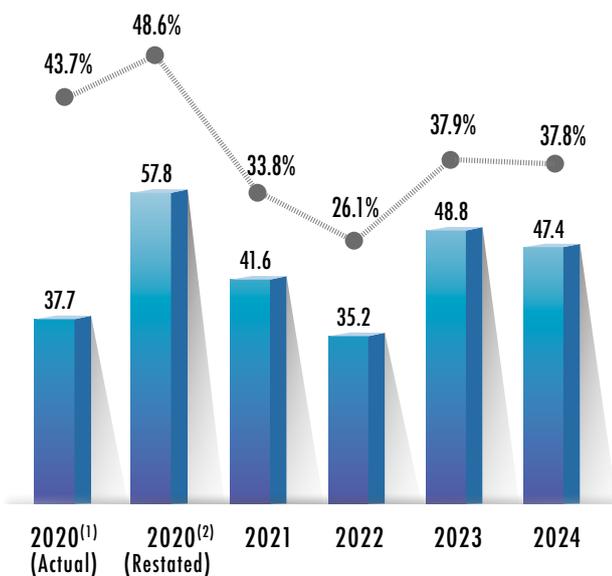
## REVENUE (\$m)



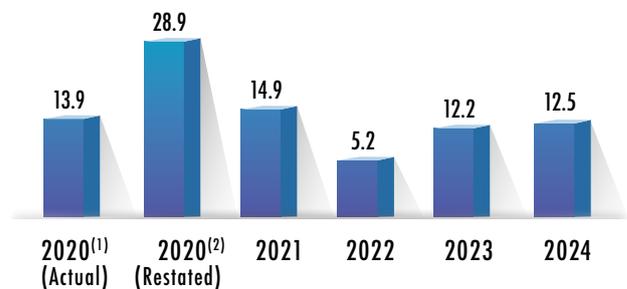
## PERCENTAGE OF REVENUE CONTRIBUTION BY BUSINESS (%)



## GROSS PROFIT (\$m) AND MARGIN (%)



## NET PROFIT (\$m)



(1) Actual reported figures for the financial year ended 31 December 2020 ("FY2020") without consolidating the financial statements of the Target Group as per Note 2 below.

(2) With reference to the Group's announcement on 24 August 2021, the acquisition of Sembas (Asia) Trading Pte. Ltd., Summit Gas Systems Pte. Ltd., and Semgas Supply Pte. Ltd. (the "Target Group") was completed on 30 December 2021, following which the Target Group became a wholly-owned subsidiary of the Company. Prior to the acquisition, the Target Group was controlled by a common Controlling Shareholder, Mr Teo Kiang Ang. The acquisition is, therefore, considered to be a business combination involving entities or businesses under common control and is accounted for using the pooling of interests method. Although the acquisition occurred during the reporting year ended 31 December 2021, the consolidated financial statements present the financial position and financial performance as if the Target Group had always been combined since the beginning of the earliest period presented.

(3) Included revenue from the Group's newly formed ("Others") business, which was added in FY2024. Others include of sale from electric vehicle charging services and sale of industrial gases. The Others business did not make meaningful revenue contributions in FY2024 as the business is still in its infancy. It recorded revenue of \$0.1 million during the year, or about 0.1% of total revenue.

# OPERATIONS AND FINANCIAL REVIEW



## Review of the Group's FY2024 Financial Performance

### Revenue

Revenue dipped \$3.30 million or 2.6% from \$128.85 million for the year ended 31 December 2023 ("FY2023") to \$125.55 million for the year ended 31 December 2024 ("FY2024"), due to a decrease in revenue from the LPG business, NG business and Diesel business.

### LPG Business

Revenue from the LPG business decreased \$1.38 million or 1.3% to \$104.98 million in FY2024 from \$106.36 million in FY2023, mainly due to lower sales volume.

### NG Business

Revenue from the NG business decreased \$1.39 million or 22.5% to \$4.80 million in FY2024 from \$6.19 million in FY2023, mainly due to a decrease in volume of NG business.

### Diesel Business

Revenue from the Diesel business decreased \$0.67 million or 4.1% to \$15.63 million in FY2024 from \$16.30 million in FY2023, as a result of lower selling price.

### Other Businesses

Revenue from other businesses consists of sale from electric vehicle charging services and sale of industrial gases. These were new businesses that contributed \$0.14 million revenue in FY2024.

### Cost of Sales

Cost of sales dipped \$1.89 million or 2.4% to \$78.14 million in FY2024 from \$80.03 million in FY2023, mainly due to lower material volume in FY2024, which is in line with a decrease in revenue.

## OPERATIONS AND FINANCIAL REVIEW



### Gross Profit

In line with the above, gross profit decreased \$1.41 million or 2.9% to \$47.41 million in FY2024 from \$48.82 million in FY2023, mainly due to the decrease in revenue. Group profit margin remained at about 37.8% in FY2024, compared to 37.9% in FY2023.

### Other Income and Gains

Other income and gains increased \$0.62 million or 40.3% to \$2.17 million in FY2024 from \$1.55 million in FY2023, mainly due to rise in government grants received and foreign exchange gains.

### Marketing and Distribution Costs

Marketing and distribution costs decreased \$0.74 million or 3.5% to \$20.54 million in FY2024 from \$21.28 million in FY2023 mainly due to a decrease in personnel costs.

### Finance Costs

Finance costs decreased \$0.13 million or 9.7% to \$1.24 million in FY2024 from \$1.37 million in FY2023 mainly due to a decrease of interest expense for lease liabilities and bank borrowings.

### Other Expenses

Other expenses decreased \$0.22 million or 59.7% to \$0.14 million in FY2024 from \$0.36 million in FY2023 mainly due to lower impairment of trade and other receivables and intangible assets written off.

### Income Tax Expense

Income tax expense has remained consistent in FY2024 at \$2.81 million similar to \$2.83 million in FY2023.

### Profit for the Year

As a result of the aforementioned, profit for the year increased \$0.28 million or 2.2% to \$12.50 million in FY2024 from \$12.22 million in FY2023.

# OPERATIONS AND FINANCIAL REVIEW

## Review of the Group's Financial Position

### Non-current Assets

Non-current assets increased \$1.61 million or 1.8% to \$91.21 million as at 31 December 2024 from \$89.60 million as at 31 December 2023. The increase was mainly due to increase in intangible assets, trade and other receivables, deferred tax assets and other non-financial assets, offset by decrease in carrying value of property, plant and equipment and contract costs.

### Current Assets

Current assets increased \$3.50 million or 6.3% to \$58.89 million as at 31 December 2024 from \$55.39 million as at 31 December 2023. The increase was mainly due to increase in inventories, trade and other receivables, other non-financial assets and derivative financial assets. These were offset by decrease in contract costs as well as cash and cash equivalents.

### Non-current Liabilities

Non-current liabilities decreased \$5.82 million or 15.8% to \$30.99 million as at 31 December 2024 from \$36.81 million as at 31 December 2023. The decrease was mainly due to repayment of bank borrowings and lease liabilities.

### Current Liabilities

Current liabilities increased \$1.94 million or 4.9% to \$41.54 million as at 31 December 2024 from \$39.60 million as at 31 December 2023. The increase was mainly due to increase in trade and other payables, bank borrowings, lease liabilities and contract liabilities, offset by a decrease in income tax payable and derivative financial liabilities.

### Equity Attributable to Owners of the Company

The increase in equity, attributable to owners of the Company by \$8.95 million or 13.0% to \$77.53 million as at 31 December 2024 from \$68.58 million as at 31 December 2023 was mainly due to higher net profit and other comprehensive income in FY2024. This was offset by final dividend paid in respect of reporting year ended 31 December 2023 and interim dividend paid in respect of reporting year ended 31 December 2024.



## OPERATIONS AND FINANCIAL REVIEW

### Review of the Group's Cash Flows

In FY2024, net cash flow generated from operating activities amounted to \$22.35 million after deducting net working capital outflows of \$3.93 million and taxes paid of \$2.51 million from operating cash flows before changes in working capital of \$28.79 million.

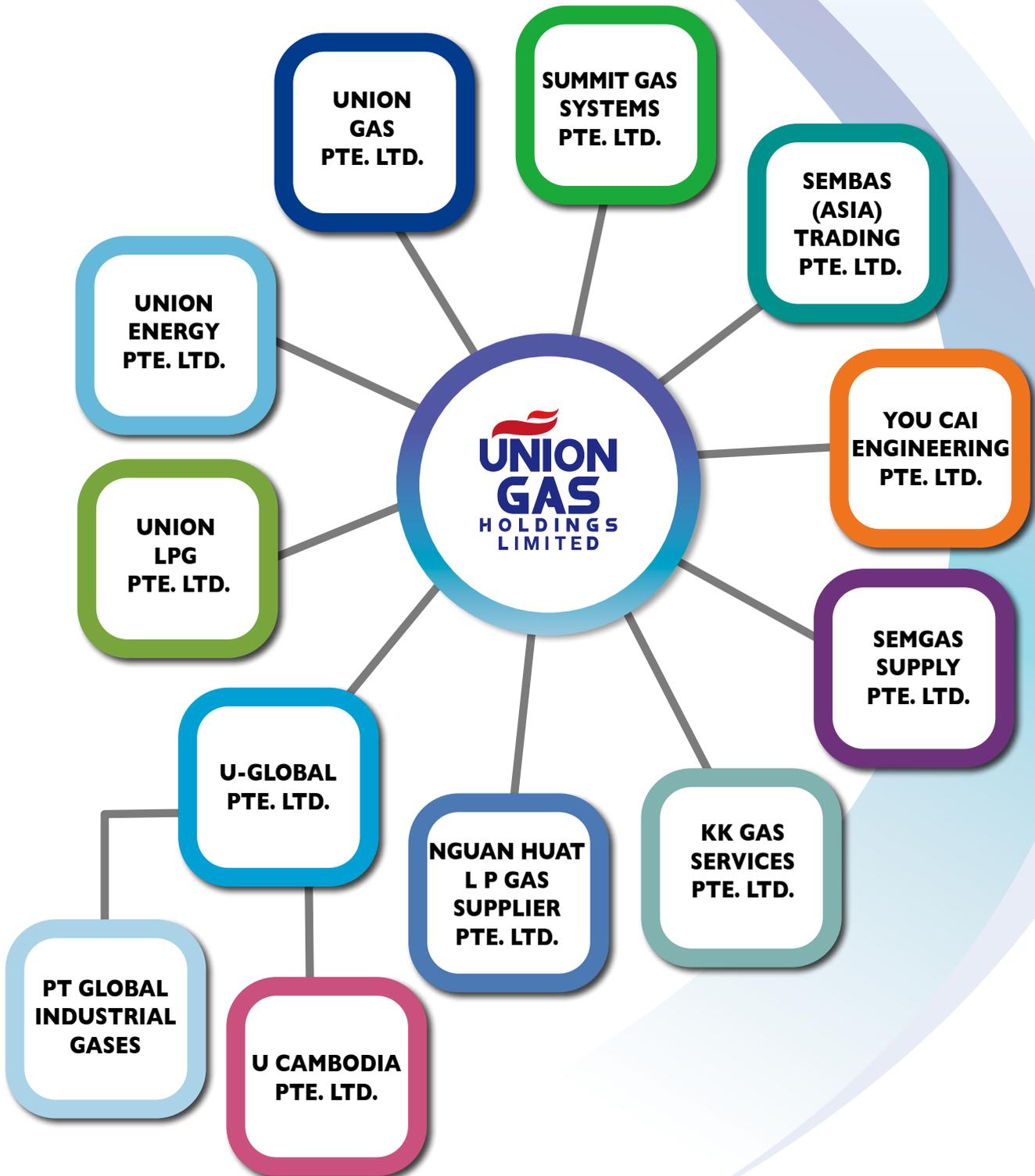
Net cash flows used in investing activities amounted to \$10.16 million mainly due to (i) purchase of property, plant and equipment of \$10.99 million and (ii) acquisition of intangible assets of \$0.59 million. These were partially offset by (i) proceeds from disposal of property, plant and equipment of \$1.26 million and (ii) interest income received \$0.16 million.

Net cash flows used in financing activities amounted to \$12.86 million mainly due to (i) repayment of bank borrowings and lease liabilities of \$11.83 million, (ii) payment of dividend to shareholders of \$4.70 million, (iii) interest payment of \$1.24 million and (iv) purchase of treasury shares \$0.09 million. These were partially offset by proceeds from new bank borrowings of \$5.00 million.



# CORPORATE STRUCTURE

AS AT 31 DECEMBER 2024



Note: The Group's subsidiaries are all 100% owned, except for PT Global Industrial Gases, which is 95% owned.

# SUSTAINABILITY REPORT

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# SUSTAINABILITY REPORT

## Board Statement

As a leading gas retailer, Union Gas is committed to delivering value and reliable energy solutions through our three main business segments of LPG, NG, and Diesel for the community and the communities we work with. The Board of Directors (the “**Board**”) of Union Gas is pleased to present the Group’s eighth sustainability report (“**SR Report**”, “**SR2024**”) for the financial year ended 31 December 2024.

The Board, supported by the management and sustainability committee of Union Gas, oversees the management and monitoring of the environmental, social and governance (“**ESG**”) factors which includes climate-related disclosures. These are taken into consideration in the determination of the Group’s strategic direction and policies. The Board has oversight of the ESG material factors which are reviewed annually to ensure they remain relevant and current for the business. The management of Union Gas were involved in the preparation and review of this Report before it was approved by the Board and published.

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business. We continue to improve and enhance our sustainability efforts in this journey, and we plan to conduct a materiality assessment in 2025 to better understand current concerns of our stakeholders. As the urgency for global climate action increases, we also continue to review our climate-related risks and opportunities. A phased approach has been adopted to understand our impacts and develop a climate transition plan climate to enhance our resilience. We look forward to the support of our stakeholders and ecosystem in our sustainability and climate initiatives.

## Our Approach to Sustainability

Union Gas recognises the importance of sustainability in the long-term viability of the business, the environment, and the communities we serve. We are committed to managing our environmental and social impacts, and aligning our practices with evolving regulations and industry standards.

Fuelled by our mission to offer innovative solutions, excellent customer experience and maintain the highest standard of safety with professionalism, the Company creates value for our stakeholders by incorporating environmental, social and governance aspects into our business, daily operations and risk management approach. We aim to maintain high standards of corporate governance which ensure that our policies are closely aligned with our sustainability objectives. A robust governance structure plays a key role in supporting our sustainability efforts by promoting transparency, accountability, and open communication across the organisation and all employees, thereby integrating sustainability into strategic and daily decision-making.

## About this Report

SR2024 provides an overview of the Group’s sustainability commitments, management approach, policies, performance and initiatives in the financial year from 1 January 2024 to 31 December 2024 (“**FY2024**”) for our material environmental, social and governance topics. It incorporates Union Gas Holdings Limited and its subsidiaries. For more information on the entities, please refer to pages 108-109.

This report has been prepared in accordance with the Singapore Exchange Securities Trading Limited Listing Manual’s (“**SGX-ST Listing Manual**”) Listing Rules 711A and 711B. It references the Global Reporting Initiative (“**GRI**”) Standards, a globally-recognised sustainability reporting framework, for reporting on topics that are material to the Group. The Sustainability Report also takes into account the inclusion of the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). Based on SGX-ST Listing Manual’s newly announced guidelines in September 2024, the Company looks to transition to the International Sustainability Standards Board (“**ISSB**”) IFRS S2 climate-related disclosure framework in the coming years.

An internal review of the sustainability reporting process has been conducted by a third-party internal auditor. This report has not undergone external assurance.

To provide feedback and suggestions on ways to improve our sustainability efforts, please email [ir@uniongas.com.sg](mailto:ir@uniongas.com.sg).

# SUSTAINABILITY REPORT

## Stakeholder Engagement and Materiality Analysis

The Company has identified five core groups of stakeholders which we work with closely to drive sustainable growth. Our approach to stakeholder engagement is rooted in regular engagement and collaboration, so that Union Gas understands the needs, concerns, and expectations of those who are most impacted by our business.

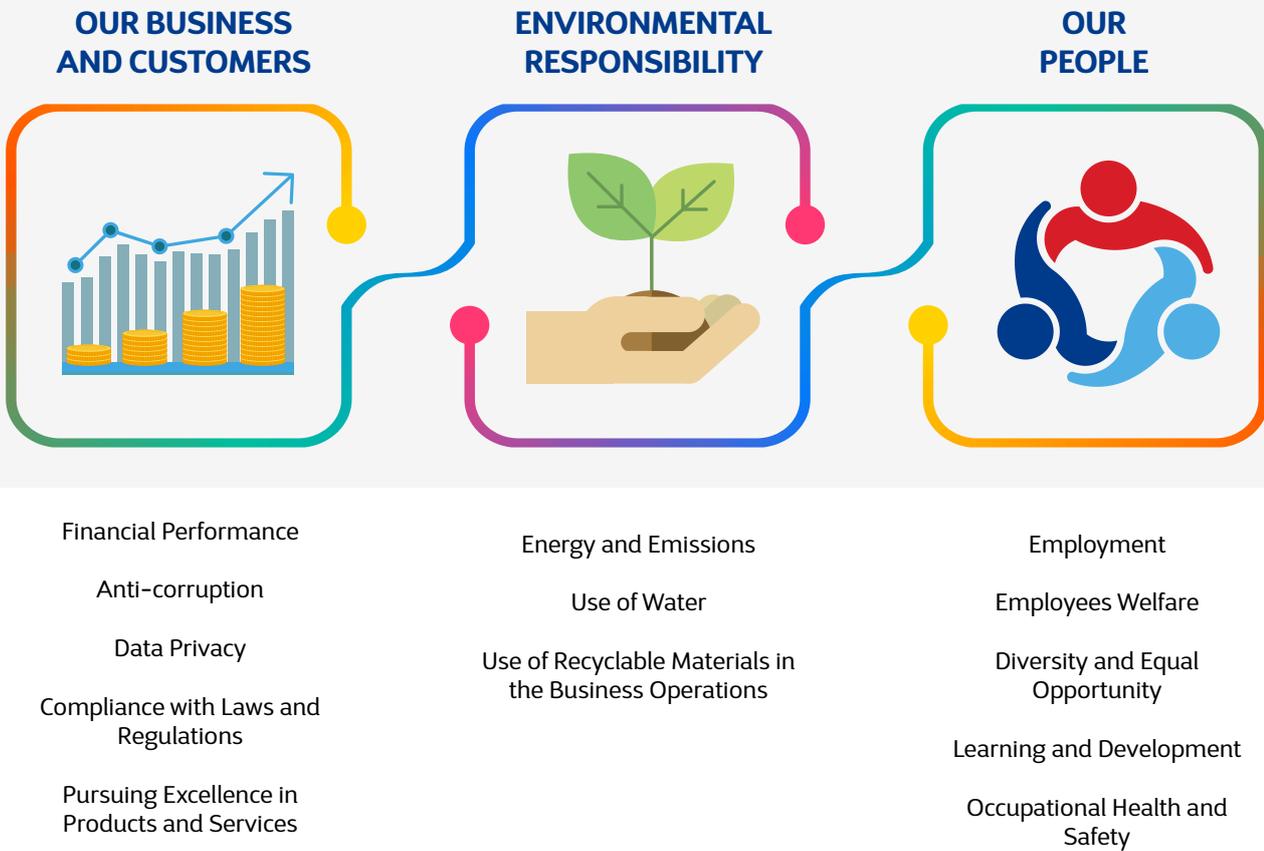
### STAKEHOLDER GROUPS AND HOW WE ENGAGE THEM



# SUSTAINABILITY REPORT

To identify our material topics, an internal stakeholder engagement exercise was conducted to assess, prioritise and report on factors related to economic, environment and workplace practices. The Company reviews its material topics annually to ensure that it continues to monitor and manage changes in its impacts on stakeholders. Union Gas may include additional voluntary disclosures to supplement our sustainability reporting journey.

In line with requirements from Singapore Exchange Regulation (“SGXRegCo”) to provide climate-related disclosures, the Company adopts recommendations from the TCFD in addition to measuring and reporting related performance with reference metrics from GRI 302 Energy and GRI 305 Emissions.



# SUSTAINABILITY REPORT

## Business and Customers

### Financial Performance

GRI 201-1

Union Gas generated a direct economic value of \$125.55 million in FY2024. Of this, approximately 24.7% was distributed to key stakeholders which included 17.5% to employees and 3.2% to the government and 4.0% to capital providers<sup>1</sup>. 69.4% of the total economic value went to operating expenditure. As part of investment plans for the Company and its subsidiaries, 5.9%<sup>2</sup> was retained and reinvested after the distribution of interim and proposed final dividend, subject to shareholders' approval during the upcoming Annual General Meeting. We target to maintain a positive business outlook, subject to market conditions for FY2025.

As we progress in integrating sustainability into our business operations, we are committed to adopting a robust approach over the next three years to embed climate risks and opportunities into our growth strategies and financial management systems, in alignment with the IFRS S2 framework.

### Anti-Corruption Practices

GRI 205-3

We are committed to ensuring compliance with all relevant laws and regulations, including the principles and guidelines set out in the Singapore Code of Corporate Governance 2018. The Union Gas Code of Profession Conduct and Ethics spells out the Company's expectations of all employees on this matter. A robust whistleblowing policy encourages and supplements our anti-corruption measures.

In addition, a rigorous and effective corporate governance framework led by the Board of Directors has been instituted with robust policies, training programmes, and strict internal controls designed to prevent, detect, and address potential misconduct. These include the Company's strict stance on anti-bribery and corruption, as well as gifts and entertainment. The Union Gas Employee Handbook provides all staff with guidance on the Company's values, ethics, principles, and key points of policies.

In FY2024, there were zero incidents of anti-corruption. We continue to set zero incidents as a target for this topic for FY2025.

### Whistleblowing

Union Gas' Whistleblowing Procedures can be found in the Corporate Governance section of this report which are also accessible via the website, and all employees and business partners are enabled and encouraged to report any concerns regarding misconduct or unethical behaviour through our designated platforms. The channels serve as a secure and confidential platform for reporting, ensuring that all submissions are received directly by the whistleblowing committee and handled independently, fairly and expeditiously. These channels are promoted during induction sessions for new employees and biannual staff communication.

### Data Privacy

GRI 418-1

Data privacy is the appropriate and authorised use of data to protect customers' and individuals' right to privacy. This means using personal data responsibly and only in ways that align with ethical practices and applicable data protection regulations.

The Company's commitment to privacy is a key responsibility to our customers and forms the cornerstone of our Privacy Policy. In line with Singapore's Personal Data Protection Act ("PDPA"), a data protection officer is appointed to oversee data protection responsibilities and oversee the implementation of strict governance processes and controls to safeguard personal data and privacy.

Our privacy policy guidelines restrict the collection, usage, and management of our customers' personal data to ensure the confidentiality of individuals on the use of their data. Controls are based on privacy principles such as transparency, purpose

<sup>1</sup> This includes the proposed final dividend which is subject to shareholder approval at the Annual General Meeting.

<sup>2</sup> This is calculated based on Profit attributable to owners of the Company less interim and proposed final dividend which is subject to shareholder approval at the Annual General Meeting / Revenue.

# SUSTAINABILITY REPORT

limitation, retention, and security. All employees are required to observe the policies and guidelines set out by the Group with penalties imposed for non-compliance. In FY2024, the Group did not receive any substantiated complaints relating to breach of customer privacy and we continue to set that as an annual goal for FY2025.

## Compliance

GRI 2-27

Union Gas is committed to comply with local laws and regulations. All employees are onboarded with the Company's Code of Professional Conduct and Ethics. In FY2024, there were no cases of significant fines<sup>3</sup> related to non-compliance with laws and regulations. We will strive to continue achieving no cases of significant fines with all applicable laws and regulations in FY2025.

## Pursuing Excellence in Products and Services

Union Gas' vision, mission and core values provide the foundation to build our pursuit of excellence in products and services.

As part of our commitment to excellence, the Company conducts annual checks on LPG accessories for our domestic household customers, and provides a comprehensive feedback platform for our customers to enhance the Company's products and services. The Group believes that regular and dynamic customer engagement enables the growth and development of our business together with our community. Technological platforms such as quick response ("QR") code scan and order, online ordering, e-payment and account dashboards enable customers to conveniently and seamlessly place their orders and interact with us. To better understand how our customers perceive us and to identify areas for improvement, monthly surveys are conducted. For FY2024, approximately 97.7% of respondents rated Union Gas 3 and above out of a total score of 5 for questions relating to quality and safety of the product, services rendered by the customer service and delivery team, and complaint handling.

In pursuit of excellence and consistency in our product and services, Union Gas and its subsidiaries have attained certifications for various management systems standards for quality and health and safety as shown in the table below.

Certification Standard	Entities Certified							
	UGH	UE	UG	Union-LPG	SGS	Semgas	Sembas	You Cai
ISO 45001:2018 Occupational health and safety management system	●	●	●	●	●	●	●	●
bizSAFE Level Star certification	●	●	●	●	●		●	●
ISO 9001:2015 Quality management system	●	●	●	●			●	
Singapore Standard SS651:2019 Safety and health management system for the chemical industry					●			

**UGH:** Union Gas Holdings Limited

**UE:** Union Energy Pte. Ltd.

**UG:** Union Gas Pte. Ltd.

**Union-LPG:** Union LPG Pte. Ltd.

**SGS:** Summit Gas Systems Pte. Ltd.

**Semgas:** Semgas Supply Pte. Ltd.

**Sembas:** Sembas (Asia) Trading Pte. Ltd.

**You Cai:** You Cai Engineering Pte. Ltd.

In 2024, Union Gas Holdings Limited received the recognition of being named the "Most Transparent Company (Utilities)" at the SIAS Investors' Choice Awards. The award highlights the Company's commitment to transparency and accountability in its operations and communication with stakeholders.

<sup>3</sup> Significant fines refer to fines of S\$5,000 and above.

# SUSTAINABILITY REPORT

## Environmental Responsibility

At Union Gas, we aim to minimise our environmental impact and costs while providing essential services to our customers. As responsible stewards of the planet, we work to reduce our environmental footprint and promote sustainable practices throughout our operations. This includes lowering resource consumption, enhancing efficiency, and generating savings. Efforts have been made to reduce paper use by going digital, such as in the provision of e-receipts to domestic household customers as the default option. In our offices, we encourage eco-friendly practices, such as reducing plastic use and promoting the recycling of paper, plastics, and electronic waste. We also support our employees in adopting sustainable habits, like limiting printing or opting for double-sided printing. By embracing innovative solutions and collaborating with stakeholders, we strive to positively impact the environment while ensuring the sustainability of our business and communities.

### Energy and Emissions

GRI 302-1, GRI 305-1, GRI 305-2

Due to our nature of business, transport fuel for our delivery fleet is the largest contributor of total business greenhouse gas emissions. We aim to explore innovative ways to improve operational performance and benefit the environment, such as reducing energy use, improving efficiencies in equipment, reducing waste and improving product recycling. To manage the impacts of transport fuel, the Company has embraced route optimisation enhancements and a fleet replacement programme for low-emission vehicles.

The Company embarked on a group-wide programme to monitor and measure our carbon emissions in FY2024. A data collection process for fuel consumption was established to understand more about the impacts of our fleet of delivery vehicles and company-owned vehicles, as well as electricity consumed by the various entities. The total energy consumed within the organisation was 44,663.1 GJ while the Scope 1 and Scope 2 GHG emissions was 3,189.2 tonnes carbon dioxide equivalent (“tCO<sub>2</sub>e”) and 649.3 tonnes carbon dioxide (“tCO<sub>2</sub>”) respectively. Utilisation of solar energy increased from 906.3 GJ to 1,129.8 GJ. This contributed positively to the Company’s efforts to reduce electricity-associated Scope 2 emissions, which saw a drop of 17.2% from 628.1 tCO<sub>2</sub> in FY2023 to 520.0 tCO<sub>2</sub> in FY2024. In FY2024 we completed our target to review our operations to establish a reduction target. In FY2025, we aim to keep our Scope 1 and 2 emissions lower than FY2024.

### Energy consumed within the organisation

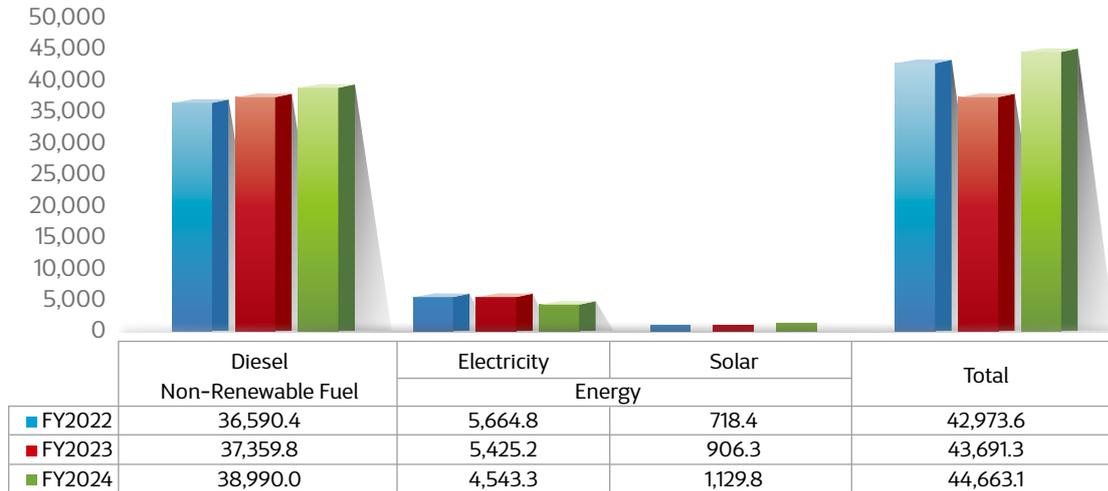
In support of national efforts to improve Singapore’s ambient air quality by reducing vehicular emissions, Union Gas is in the process of replacing our older vehicles with Euro 6 models, which set a cleaner, reduced limit on the emissions of gases and particulate matter such as nitrogen oxide, carbon monoxide, hydrocarbons and particulate matter. Approximately 95.9% of our fleet of vehicles are Euro 6 models. We are also exploring the use of more sustainable fuel source or electric vehicles for our delivery operations with the intention of rolling it out on a larger scale should it be found to be a viable option. We purchased one (1) electric vehicle to test its suitability to be deployed as an LPG delivery vehicle.



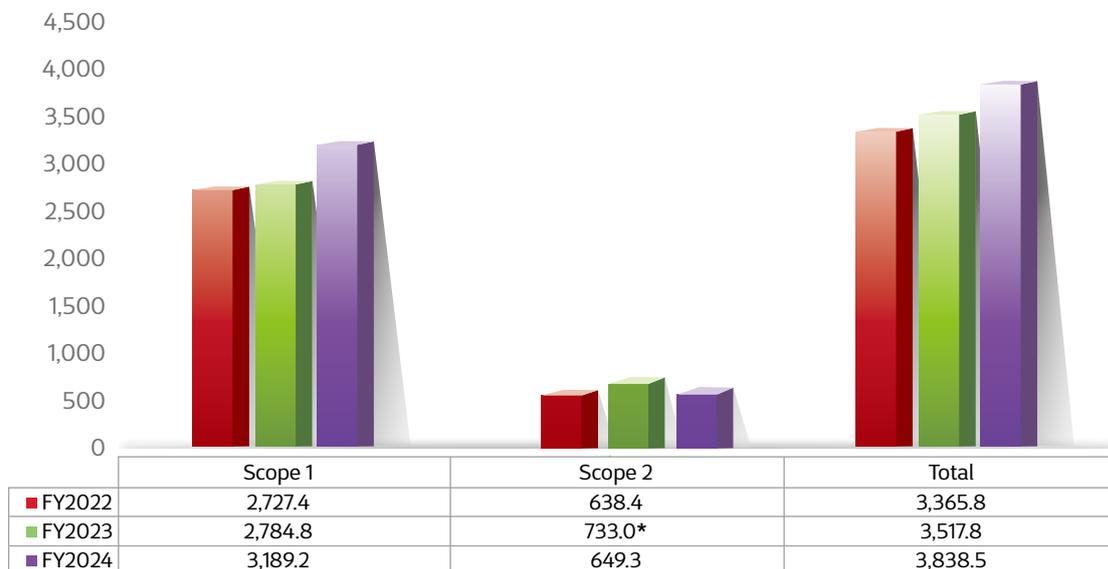
*Nurturing a culture of green practices at Union Gas*

# SUSTAINABILITY REPORT

## Energy Consumed within the Organisation (GJ)



## Scope 1 & 2 GHG Emissions (tCO<sub>2</sub>e)



### Notes:

- Scope 1 emission factor for diesel in FY2022 and FY2023 was applied from the GHG Protocol's Emission Factor for Cross Sector Tools March 2017, Stationary Combustion based on the guidance notes provided for use in "Other" regions which references 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Energy, Chapter 2, Stationary Combustion. As the Company continues to enhance and refine its carbon management journey, in FY2024 the conversion factors for GHG Protocol's Emission Factor for Cross Sector Tools V2.0\_0 (March 2024), Mobile Combustion was applied.
- Scope 2 emissions factor references Singapore's Grid Emission Factor as published by the national Energy Market Authority.
- (\*) Scope 2 emission for FY2023 has been restated to account for enhanced information on solar energy green attributes.

# SUSTAINABILITY REPORT

## Climate action

As climate change brings about a range of extreme weather events such as heat waves and rising sea levels, governments around the world have intensified efforts to manage impacts through stricter regulations and policies. Addressing these weather events as well as changes to regulations and policies are essential for ensuring the Company actively minimises damage to its business, assets, operations, and supply chains; while also enhancing resilience, reputation, and competitiveness in a rapidly evolving market.

Union Gas adopts a phased approach to managing its climate change impacts. A TCFD exercise was undertaken to supplement our Enterprise Risk Management (“ERM”) review in 2023. The ERM review included consideration of critical and climate-related issues such as potential changes to national energy and emissions policies. Below is a summary of the climate risks and opportunities based on TCFD recommendations that have been identified and our action plans. More information can be found in the TCFD recommended disclosures on pages 38–39. In FY2025, the Company plans to review this exercise and develop a roadmap in accordance to globally recognised climate scenarios as part of our next steps. This will additionally prepare us for SGXRegCo’s new requirements to align climate-related disclosures with the IFRS S2 framework.

		Risks	Potential impact and risk management
<b>Transition Risks</b>	Policy and Legal	<ul style="list-style-type: none"> <li>Changes in government policies. The business of the Group is affected by changes in governmental energy policies and strategies such as the national energy source mix, energy infrastructure and carbon taxation.</li> </ul> <p>Time frame: medium term (3-10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Increase in capital expenditure of the Group to replace its existing fleet of diesel-engine delivery vehicles.</li> <li>Unfavourable shifts and changes in relevant governmental policies and strategies may affect the supply and demand of the Group’s product.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Explore vehicles using more sustainable fuel source or using electric vehicles.</li> <li>Diversifies its business.</li> <li>Increase use of renewable energy through use of solar panels.</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Technology development for green energy</li> </ul> <p>Time frame: medium term (3-10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>May incur higher initial cost on capital investments.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Tap on available grants for implementing energy transition plans where possible.</li> <li>Invest in technology that have savings on carbon tariffs or operating costs in the long run.</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Shift in consumer and market preferences to new segments</li> </ul> <p>Time frame: long term (&gt;10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Loss of brand loyalty for consumer market.</li> <li>Change in consumer habit.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Seek opportunities to expand existing market.</li> <li>Explore new business segments in growing market to tag on consumer preference, for instance NG and EV charger.</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Increased stakeholder expectations on climate action, especially investors, shareholders, consumers, and societal expectations.</li> </ul> <p>Time frame: long term (&gt;10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Increased in operating costs and compliance costs.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Tap on available grants.</li> <li>Align Company’s business strategies to address stakeholder concerns.</li> </ul>

# SUSTAINABILITY REPORT

		Risks	Potential impact and risk management
Physical Risks	Acute	<ul style="list-style-type: none"> <li>High precipitation events, such as one-day maximum rainfall and a number of days with heavy rainfall are likely to increase the probability of flash floods.</li> </ul> <p>Time frame: medium term (3-10 years); Impact: low to medium</p> <ul style="list-style-type: none"> <li>Extreme high temperature.</li> </ul> <p>Time frame: medium term (3-10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Flash floods may lead to damage on assets.</li> <li>High temperature may lead to machine failure and employee exposure to heat stroke.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Union has in place a detention tank that complies with applicable government regulations to release water into public drain at a slowed control rate which in turn reduces risk of flash floods.</li> <li>More breaks for manpower and increase in maintenance for machines.</li> <li>Increase in manpower and flexible work schedule.</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>Rising sea levels and extreme weather lead to floods.</li> </ul> <p>Time frame: Long term (&gt; 10 years); Impact: low to medium</p>	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Flash floods may disrupt our fleet delivery.</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>To explore alternate delivery/routes and provide flexible work schedule for employees who may be disrupted by weather events</li> </ul>

Opportunities		
	Energy Source	Use of new technologies may present us with innovation opportunities and lead to competitive advantages in the market.
	Products and Services	Expansion to lower emissions products and services will allow us to diversify our business activities, e.g. EV charging.
	Markets	Access to new markets may allow us to expand into the renewable energy market (low carbon) and also present growth opportunities.
	Resilience	Energy efficiency measures as well as use of renewable energy can help to reduce operational costs and contribute to long term financial stability.

For more information, please refer to Our Disclosures based on TCFD Recommendations.

## Water Use

GRI 303-1, 303-2, 303-3

Singapore is often ranked as a high water-risk country due to its lack of natural resources. However, the government has mitigated this risk with a robust and innovative system consisting of four major sources of water – water from local catchment captured through reservoirs and waterways; imported water from neighbouring country, Malaysia; a high-grade recycled water known locally as NEWater and desalinated seawater.

As a responsible corporate citizen on this island state, we play a part to manage our use of water drawn from the national water network through regular water checks at our operational sites and strategic reminders to conserve water in general use locations. In FY2024, we withdrew a total of 26.7 megaliters water from the national grid, which was mostly for general use, washing purposes in locations such as in toilets and pantries; and in regular testing of the Company's fire protection system to ensure safety integrity and robustness at our facilities. Used water is discharged back into the national sewage system. We are currently reviewing our approach to water and aim to complete a review in FY2025.

Water Withdrawn (Megaliters)	FY2024
	26.7

## Recycling Materials

At Union Gas, we have long believed that acting efficiently can play an important part in reducing our impact on the environment. This approach has been applied to key resource streams in our operations, such as in the life cycle of our gas cylinders. Designed to be sturdy and portable, these cylinders enhance the durability and flexibility of how we package and transport our gas. Regular maintenance checks are conducted to all cylinders to ensure safety standards of the reused cylinders.

# SUSTAINABILITY REPORT

The Company additionally makes an effort to divert paper waste away from disposal and sending it to recycling. An upcycling corner was set up in the Company’s main office to encourage and ingrain the habits of recycling, reusing, and reducing waste in our lifestyles. Our annual upcycling workshops raise awareness among staff about recycling and sustainability. In FY2025, Union Gas aims to review again its waste streams to determine if there are additional areas that can be enhanced.



## Our People

### Employment GRI 401-1

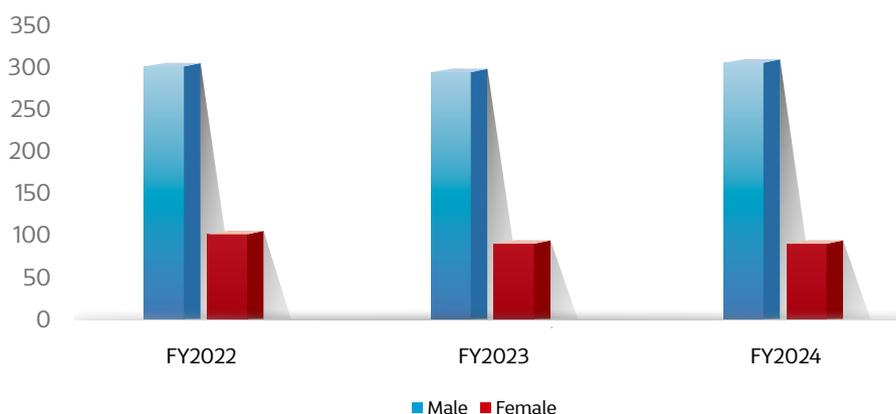
Employees not only drive the success of Union Gas business through their expertise, innovation, and commitment, but also play a crucial role in representing our Company and brand values to customers. Every interaction with our customers reflects the integrity, accountability, and sustainability principles behind the trusted brand of Union Gas. Robustly detailed in our Manpower and Recruitment Policies, we believe it is important to foster and retain a strong talent pool, while nurturing a positive, inclusive, and values-driven workplace for employee engagement and growth.

Total staff strength as of 31 December 2024 stood at 394 employees, comprising 76.9% males and 23.1% females. 98.5% of our staff are employed on a full-time basis, while 1.5% are part-time employees. In FY2024, turnover rate was recorded 30.7%, while overall hiring rate in FY2024 was 32.2%. The Company focuses on nurturing employees with a career development plan which includes training programmes for soft skills and technical skills, for more information refer to the Learning and Development section.

Several initiatives to increase staff retention have been implemented, these include: (i) staff reward vouchers for staff who have received compliments from customers; and (ii) improved incentive package for customer service officers for every LPG cylinder sold.

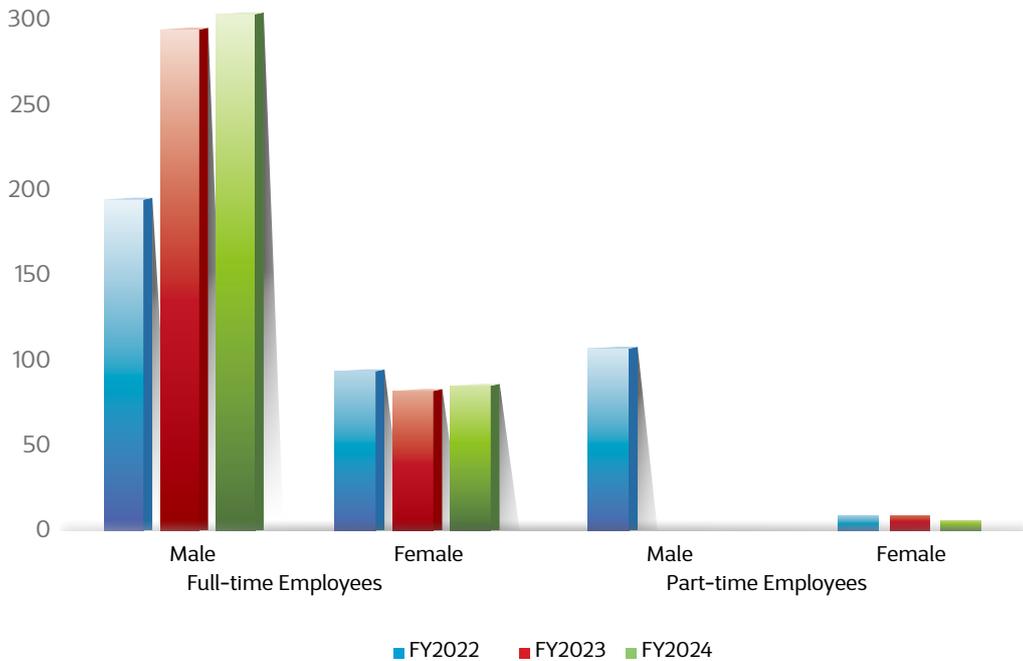
We continue to improve our work with development and engagement of our employees, with the aim of achieving lower staff turnover in FY2025.

### Total No. of Employees by Gender

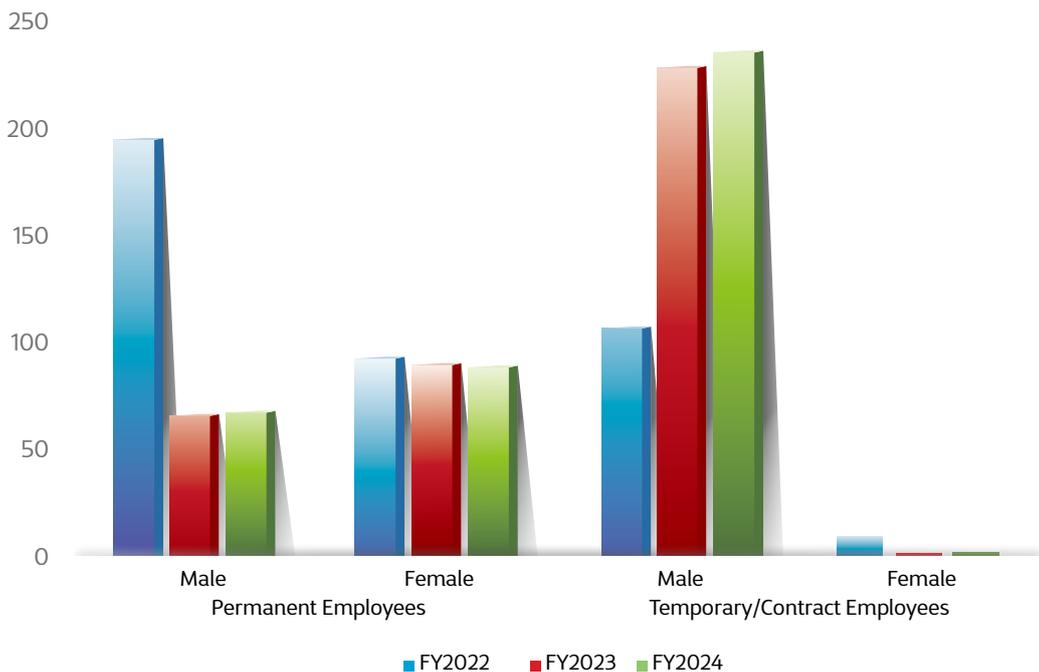


# SUSTAINABILITY REPORT

**Employee Breakdown by Gender: Full-Time and Part-Time Employees**

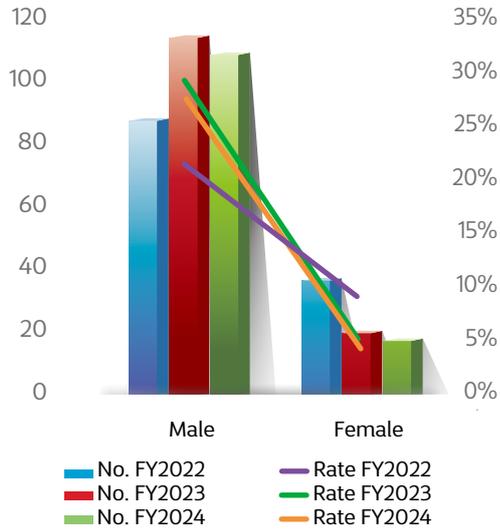


**Employee Breakdown by Gender: Permanent and Temporary/Contract Employees**

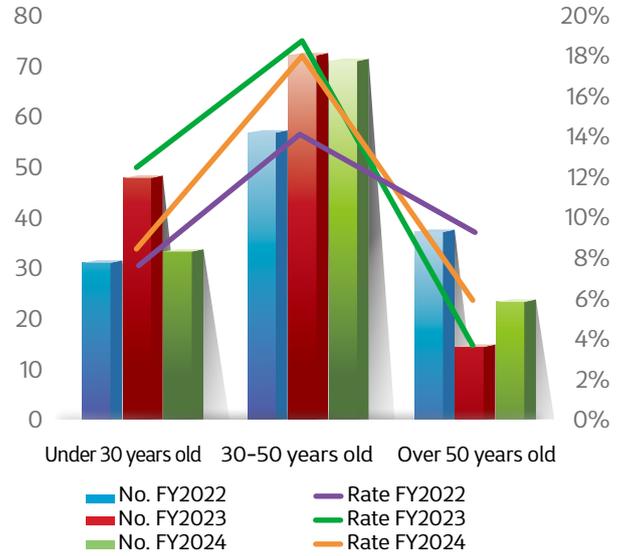


# SUSTAINABILITY REPORT

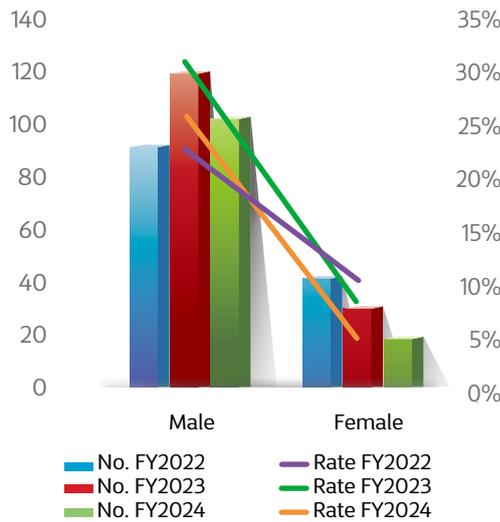
No. of New Hires and Hiring Rates by Gender



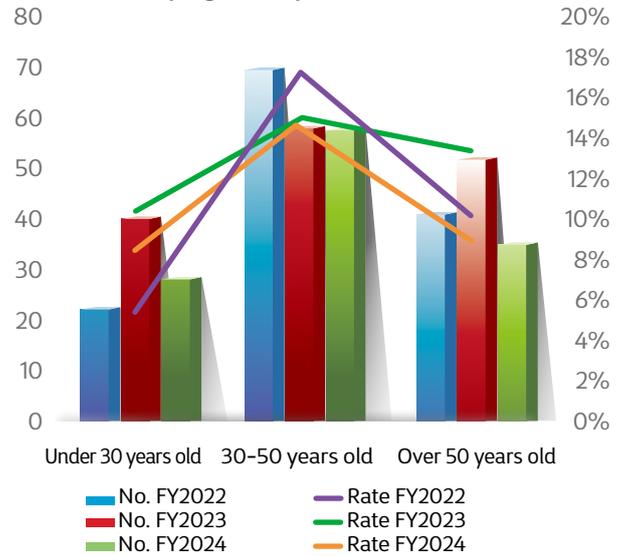
No. of New Hires and Hiring Rates by Age Group



No. of Resignations and Turnover Rate by Gender



No. of Resignations and Turnover Rate by Age Group



# SUSTAINABILITY REPORT

## **Performance review for employees**

All full-time employees participate in an annual performance review where they discuss with their managers their progress against personal goals and set new targets for the year ahead. It identifies talent and development needs which supports both individual growth as well as business needs.

We continually review the performance management process to ensure we have the relevant people with the right skills to meet our goals. When full-time employees are hired and onboarded into the Company, there is transparent and clear communication of job scope, responsibilities and key performance indicators (“KPI”). A three-month probation period is followed by a performance and discussion with the supervisor. When an employee whose performance is below average, the probation period may be extended for another two months to allow the employee a chance to improve. In cases where it is clear that the employee is unable to deliver the KPI, his contract will not be extended after the probation ends.

## **Employee Welfare**

GRI 401-2



*Teambonding*

The Company’s compensation and benefits strategy is benchmarked against best industry practices to ensure fairness, consistency and competitiveness.

To better understand the concerns of our employees while encouraging team bonding, staff engagement sessions are carried out every quarter by the Heads of Department (“HOD”). This is supplemented by additional special events such as a Christmas feast and Chinese New Year lunch.

All benefits and welfare are communicated clearly through our hiring contract, and supplemented with the Employee Handbook. We provide two days per year of examination leave for all full-time employees who are pursuing continuing education or professional qualifications. We also have a Staff Referral Scheme for our current employees. Upon successful confirmation of the new staff referred to the Company, the referrer will receive a token of appreciation for the referral.

### **Snapshot of welfare benefits provided to our eligible staff**

- Health Care: Medical benefits, including Traditional Chinese medicine (“TCM”) treatment for our employees at Cheng Hong Siang Tng TCM Clinic
- Staff Benefit: Meals Reimbursement and Transportation Claims (for overtime work), Marriage Gifts, New Born Gifts, Long Service Awards, Birthday Vouchers, Bereavement Tokens and Examination Leave
- Family support: Education support fund for our employees’ children to purchase school uniforms and school bags.

# SUSTAINABILITY REPORT

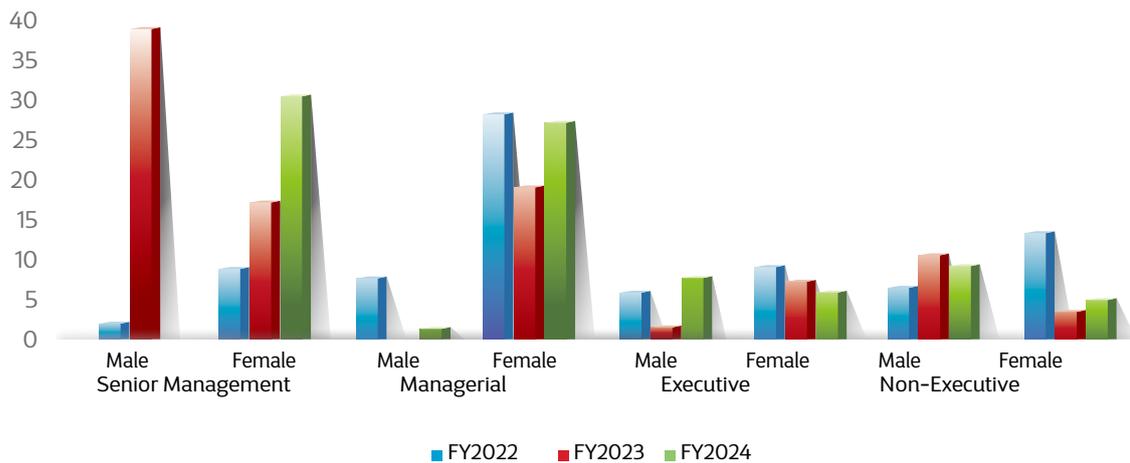
## Learning and Development

GRI 404-1

Continuous learning is a necessity for both our employees’ career success as well as the Company’s growth. Through the Company’s Learning and Development Policy, we encourage employees to take active ownership of their learning and development journey. In addition, employees undergo an annual review with their supervisors and/or HOD where there is a review and recommendation on appropriate training to support the individual’s work scope or career growth.

In FY2024, employees attended a total of approximately 3,434 training hours, compared to 3,312 hours in FY2023. Average training per employee stood at 8.7 hours of training, compared to 8.6 hours of training per employee in FY2023. To better equip our employees with fundamentals of the PDPA, those who handle personal information of employees are provided the appropriate training. More information on the occupational health and safety training that we organise regularly for employees can be found on page 34. Both internal and external trainers were engaged to develop and conduct inhouse customised training for staff. We target to maintain at least five hours of training per employee in FY2025.

Average Training Hours by Employee Category and Gender



# SUSTAINABILITY REPORT

## Diversity and Equal Opportunity

GRI 405-1

Union Gas is committed through policies to provide an inclusive and harmonious workplace which offers equal opportunity to all potential and current employees regardless of gender, age, nationality, religion, sexual orientation, disability or other aspects of diversity.

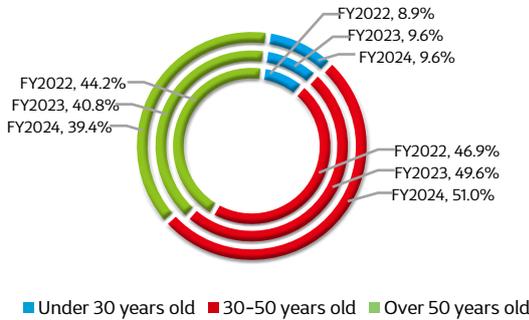
A diverse workforce benefits the Company through a varied range of viewpoints, innovative and creative problem-solving, as well as enhanced talent attraction and retention.

Typical to the businesses in the industry, male employees consist of the majority of the workforce at 76.9%, compared to females at 23.1% in FY2024. 9.6% of our employees are under 30 years old, while 51.0% are between 30-50 years old and 39.4% are over 50 years old.

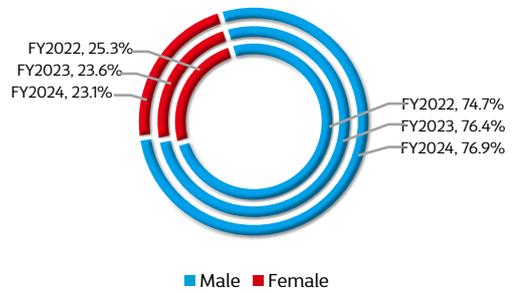
The Company has in place processes which are detailed in the employee handbook to ensure that any reported incidents of discrimination are heard and handled confidentially in a fair and appropriate manner. In FY2024, there were no complaints of discrimination nor grievances pertaining to diversity and equal opportunity. We aim to uphold our policy commitment to taking a fair approach to recruitment decisions in FY2025.

Information on the Board's diversity can be found on pages 6-8, and the Board Diversity Policy on pages 45-46.

Composition of Employees by Age Group



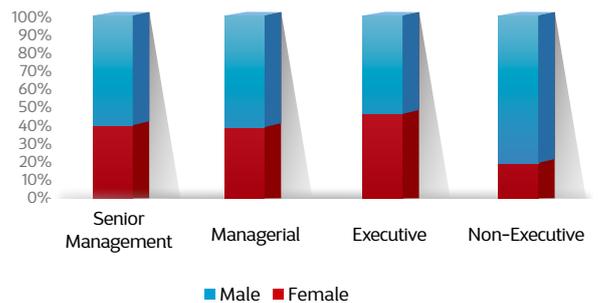
Composition of Employees by Gender



Percentage of Employees per Employee Category, by Age Group



Percentage of Employees per Employee Category, by Gender



# SUSTAINABILITY REPORT

## Occupational Health and Safety

### Occupational health and safety management system

GRI 403-1

Our priority is to provide a safe and healthy work environment for our stakeholders.

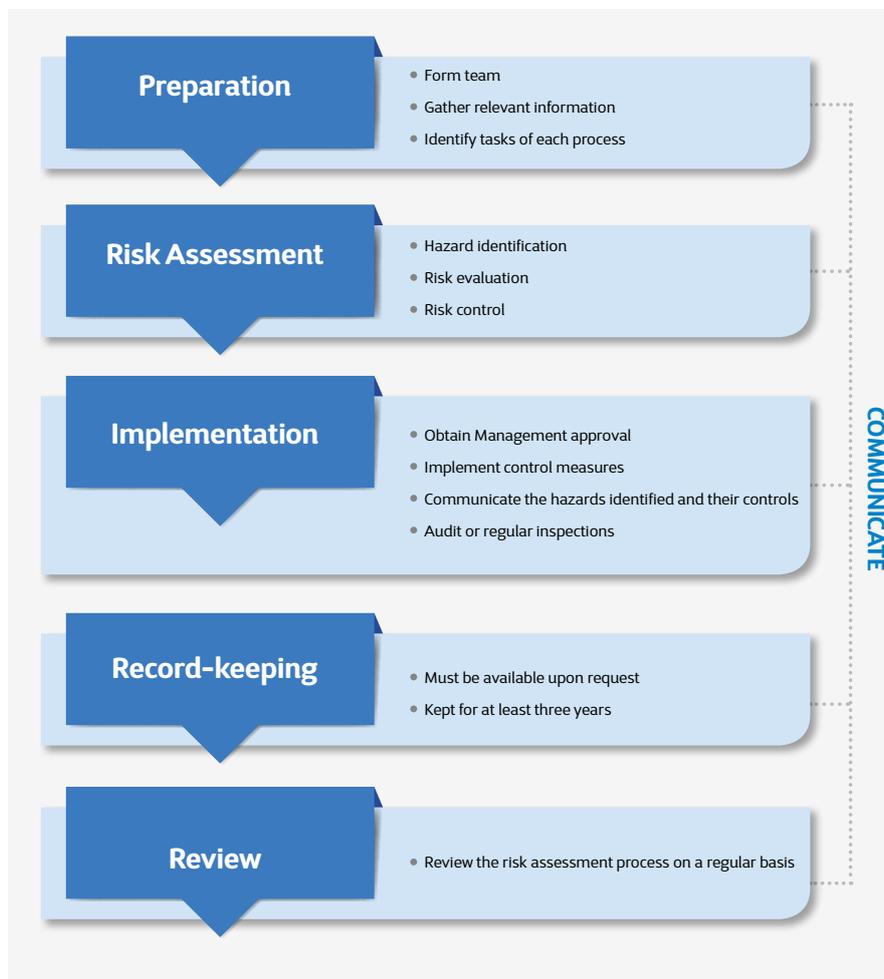
Since 2019, the Company has achieved ISO 45001 Occupational Health & Safety Management System certification as well as bizSAFE Level Star certification, which is a Singapore programme that ensures the Company has an audited management systems for workplace safety, health and security. Monthly safety meetings are conducted to discuss workplace safety, conduct case studies on recent work health safety incidents as part of the Company's approach to continuous learning and improvement, as well as review our internal safety programme.

### Hazard identification, risk assessment, and incident investigation

GRI 403-2

A robust system and process for hazard and risk management has been established. In the event of an incident or a nonconformity, including any arising from complaints, reports are managed in a timely manner and appropriate steps are taken to control, correct and resolve the issues. All information related to these incidents or non-conformity is documented, including the subsequent corrective actions taken, and verification of the effectiveness of actions taken. Enhancements are made to our existing processes and documents where needed and shared to all appropriate teams, as part of this continual improvement process. To eliminate or reduce risk at source, we require all employees and contractors to conduct risk assessments for their respective activities, both routine and non-routine.

Our approach to risk assessments is based on the following steps:



# SUSTAINABILITY REPORT

## **Employee participation, consultation, and communication on occupational health and safety**

GRI 403-4

Communication and dissemination of health and safety information is conducted for the workforce through regular meetings, or where the situation calls for it.

Top management disseminates updates through internal memos to the process owners. The process owners will then disseminate such information to their respective teams accordingly.

In daily Toolbox Meetings, employees meet with supervisors to discuss health and safety topics and raise any issues of concern. These meetings cover daily responsibilities, use of personal protective equipment (“PPE”), work coordination, as well as highlight the hazards, risks related to work functions, and their respective safety precautions and procedures to relevant staff.

## **Training on occupational health and safety**

GRI 403-5

All of employees are required to have an appropriate certification and/or licence to operate specialised equipment. To provide robust training on health and safety, new hires are paired up with more experienced and senior staff to shadow and undergo on-the-job training for a certain period, especially on safe work procedures such as cylinder loading and unloading before being deployed to the field independently. Regular refresher courses are provided for the relevant employees so that they receive reminders and updates on best practices.

Drivers are also required to complete mandatory training via the Company’s E-learning platform. The training includes, and is not limited to, “Defensive Driving,” “Residential LPG Installation Procedures,” “LPG Cylinder 5 Points Safety Check,” and Personal Data Protection Act, Health & Safety Risk Assessment.

## **Promotion of employee health**

GRI 403-6

Onsite reminders are strategically located to reinforce good worksite safety habits. These are supplemented with written materials to communicate good practices.

## **Prevention and mitigation of occupational health and safety impacts directly linked by business relationship**

GRI 403-7

Risk assessments on workplace safety are conducted and health risks associated with workplace activities are addressed. Respective departments are responsible for taking reasonably practicable steps to eliminate foreseeable risks to all staff and visitors. Union Gas’ health and safety requirements are communicated to customers, contractors, suppliers and business partners through procurement specifications.

## **Work-Related Injuries**

GRI 403-9

Our employees at the bottling plants and those involved in the delivery of LPG cylinders are educated on ergonomics and injury prevention, and provided with personal protective equipment such as safety boots and impact gloves. All our drivers are required to hold a hazardous materials (“HAZMAT”) Transport Driver Permit, which is a requirement by the Singapore Civil Defence Force (“SCDF”) in order to transport and handle LPG cylinders.

In FY2024, there were no fatal incidents. A total of 297 lost days was recorded compared to 149 lost days in FY2023 and 397 lost days in FY2022. The most common injuries and cause of lost days in FY2024 were sustained during transportation process of LPG cylinders and were hand and leg injuries caused by object impact, as well as slips and falls which contributed to the rise in lost days. A total of 9 recordable work injuries were reported in FY2024, resulting in a rate of 9.56 for recordable work-related injuries (per one million man hours worked).

We continue to actively engage our employees and positively reinforce safe workplace practices and behaviour, with an aim to further reduce our lost days and accident frequency rate in FY2025. To encourage safe work practices in our workplace, we are also monitoring leading indicators such as accident-free days.

# SUSTAINABILITY REPORT

	FY2022		FY2023		FY2024	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	0	0.00	0	0.00	0	0.00
High-consequence work-related injuries (excluding fatalities)	0	0.00	0	0.00	0	0.00
Recordable work-related injuries (including fatalities, if any)	13	13.85	13	14.51	9	9.56
No of lost days	397		149		297	
Total Man hours	938,940		896,168		941,076	

## Our Community

In our course of business, we remain committed to making a positive impact in the local community. Our efforts include supporting local charities, sponsoring events, and providing in-kind donations. We believe in empowering our community and engaging with our stakeholders while promoting environmental sustainability through meaningful projects. Together, we seek to create lasting benefits that resonate throughout our community.

In FY2024, the Company was actively involved in community work to provide support and donations to various community, cultural and educational initiatives. These included:

- Singapore Thong Chai Medical Institution which seeks to provide free medical consultation and TCM to the public regardless of race, religion or nationality.
- Cheng Hong Welfare Service Society which provides pro bono TCM treatment and medication, as well as food rations, education grants, visits for the elderly, and free funeral and bereavement support to the needy.
- Ren Ci Hospital, which serves the community, most of whom have multiple medical conditions and/or are from low-income families.
- PAP Community Foundation who is active in the areas of preschool education, eldercare and community services.
- Singapore Poh Teck Siang Tng, a temple under the Blue Cross Charitable Institution which works to provide the needy and distressed with shelter, food and care as well as burial services for those who passed on alone, regardless of race, language, or religion.
- Nam Hwa Opera which seeks to preserve, develop, and promote the dying art of traditional Teochew Opera as an important heritage of Singapore
- The Company also supports charitable organisations by volunteering our premises for activities that benefit senior residents.



*Meal distribution to the elderly and needy*

# SUSTAINABILITY REPORT

## GRI Content Index

Statement of use	Union Gas has reported with reference to the GRI Standards for the period 1 January 2024 to 31 December 2024
GRI 1 used	GRI1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures (2021)	2-1 Organisation details	1-2, 16
	2-2 Entities included in the organisation's sustainability reporting	18
	2-3 Reporting period, frequency, and contact point	18
	2-4 Restatements of information	24
	2-5 External assurance	18
	2-6 Activities, value chain and other business relationships	1-2
	2-7 Employees	27-29
	2-10 Nomination and selection of the highest governance body	44-57
	2-11 Chair of the highest governance body	44, 47-56
	2-12 Role of the highest governance body in overseeing the management of impacts	18, 41-43
	2-13 Delegation of responsibility for managing impacts	18
	2-14 Role of the highest governance body in sustainability reporting	18
	2-15 Conflicts of interest	41-42, 64
	2-16 Communication of critical concerns	21, 66
	2-17 Collective knowledge of the highest governance body	6-8, 46
	2-18 Evaluation of the performance of the highest governance body	47-48
	2-19 Remuneration policies	57-62
	2-22 Statement on sustainable development strategy	18
	2-23 Policy commitments	Financial Performance 21 Anti-corruption 21 Data Privacy 21-22 Compliance with Laws and Regulations 22 Pursuing Excellence in Products and Services 22 Energy and Emissions 23, 25 Use of Water 26 Use of Recyclable Materials 26 Employment 27, 30 Employee Welfare 30 Diversity and Equal Opportunity 32 Learning and Development 31 Occupational Health and Safety 33-34
	2-24 Embedding policy commitments	

# SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
	2-25 Processes to remediate negative impacts	18, 21, 66
	2-26 Mechanisms for seeking advice and raising concerns	21, 66
	2-27 Compliance with laws and regulations	22
	2-29 Approach to stakeholder engagement	19-20
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	19-20
	3-2 List of material topics	20
	3-3 Management of material topics	20
GRI 201: Economic Performance (2016)	201-1: Direct economic value generated and distributed	21
GRI 205 : Anti-Corruption (2016)	205-3: Confirmed incidents of corruption and actions taken	21
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	23-24
GRI 303 : Water and Effluents (2018)	303-1: Interactions with water as a shared resource	26
	303-2: Management of water discharge-related impacts	26
	303-3: Water Withdrawal	26
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	23-24
	305-2 Energy indirect (Scope 2) GHG emissions	23-24
GRI 401: Employment (2016)	401-1: New employee hires and employee turnover	27-29
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	30
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	33
	403-2 Hazard identification, risk assessment, and incident investigation	33
	403-4 Worker participation, consultation, and communication on occupational health and safety	34
	403-5 Worker training on occupational health and safety	34
	403-6 Promotion of worker health	34
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34
	403-9 Work-related injuries	34-35
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	31
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	32, 6-10
GRI 418: Customer Privacy (2016)	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	21

# SUSTAINABILITY REPORT

## Our Disclosures based on TCFD Recommendations

Based on the requirements in the Listing Rule 711B(1) and Practice Note 7.6 Sustainability Reporting Guide, we have mapped our climate related disclosures based on TCFD Recommendations as shown in the table below.

### Summary of our response to TCFD recommendations

RECOMMENDATIONS	KEY POINTS
<b>GOVERNANCE:</b>	
<b>Disclose the organisation's governance around climate-related risks and opportunities</b>	
(a) Describe the Board's oversight of climate-related risks and opportunities	The Board oversees Union Gas' climate-related risks and opportunities as part of overall group performance and risks management. The Board is also responsible for the monitoring and approval of Union Gas' climate strategy, goals, and targets.
(b) Describe management's role in assessing and managing climate-related risks and opportunities	The Sustainability Committee provides support and guidance for the organisational ESG strategies and programs that enable Union Gas to address climate-related risks and opportunities. Senior Management and section heads have had discussions to identify the potential risks and opportunities faced by the different business units and working on the risk management.
<b>STRATEGY:</b>	
<b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is critical</b>	
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	A qualitative exercise was conducted to identify and assess Union Gas' climate related transition and physical risks, as well as corresponding opportunities. Senior Management from key functional business units were engaged to establish an understanding of how these climate risks and opportunities could impact on Union Gas' business objectives
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Please refer to tables on pages 25-26 for potential impacts of the identified risks on the organisation's business.
(c) Describe the resilience of the organisations strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Union Gas has implemented energy efficiency, leading brand, diversified products and always on the look out for complementary businesses.

# SUSTAINABILITY REPORT

RECOMMENDATIONS	KEY POINTS
<b>RISK MANAGEMENT:</b>  <b>Disclose how the organisation identifies, assesses and manages climate-related risks</b>	
(a) Describe the organisation's processes for identifying and assessing climate-related risks	A qualitative climate risk assessment was conducted through engagement with our key internal business stakeholders as well as our third-party consultant. We have conducted a climate risk identification process, covering both organisation wide impacts and asset-level impacts. Senior Management across key functional business units were engaged to establish an understanding of how these climate risks and opportunities could impact on Union Gas' business objectives.
(b) Describe the organisation's processes for managing climate-related risks	Please refer to tables on pages 25-26 for Union Gas' processes for managing climate related risks.
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Union Gas has included climate risks in the organisation's Enterprise Risk Management framework and process. Climate related risks are also reported to the Board.
<b>METRICS AND TARGETS:</b>  <b>Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material</b>	
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We have identified different metrics to understand our exposure to physical and transition climate-related risks and opportunities. Please refer to pages 25-26.
(b) Disclose Scope 1 and 2, and if appropriate Scope 3 GHG emissions and related risks	Our Scope 1 and Scope 2 GHG emissions are reported on pages 23-24.  We have started data collection for Scope 3 emissions plan to report on our Scope 3 emissions in future reports.
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Our GHG emissions are largely from the delivery fleet. We shall explore the possibility of changing our delivery fleet to electric vehicles if suitable in the future.

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# REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) and the management (the “**Management**”) of Union Gas Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) are committed to maintain a high degree of corporate governance and transparency for the benefit of all its stakeholders. For the financial year ended 31 December 2024 (“**FY2024**”), the Board and Management are pleased to confirm that the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), which was issued by the Monetary Authority of Singapore (“**MAS**”) on 6 August 2018, where applicable, and pursuant to Rule 710 of the Listing Manual of The Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

This report outlines the Company’s corporate governance practices with reference to both the principles and provisions set out in the Code. The Company has also taken into consideration the Practice Guidance provided by MAS. The Board of Directors is pleased to confirm that for FY2024, the Company has adhered to the principles of the Code as well as the Rules of the Listing Manual of SGX-ST, where appropriate. Where the Company’s practices vary from any provisions of the Code, the reasons for the deviations explaining how the practices the Company has adopted are consistent with the intent of the relevant principle.

## (A) BOARD MATTERS

### Principle 1 – The Board’s Conduct of Affairs

**The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company.

In discharging the Directors’ fiduciary duties, all Directors are expected to exercise objective judgement and make decisions in the best interest of the Company. A Director who is interested in a transaction or proposed transaction is required to declare if he has a conflict of interest and will recuse themselves from discussion and abstain from voting on the matter.

The Board oversees the corporate policy and overall strategy for the Group. The principal roles and responsibilities of the Board, amongst others, include:

1. Oversees the overall strategic plans including sustainability and environmental issues as part of its strategic formulation, strategic human resources framework, and financial objectives of the Group; and
2. Oversees and safeguards shareholders’ interest and the Company’s assets through a robust system of effective internal controls, risk management, financial reporting and compliance.

The Board has in place an authority matrix to provide guidelines on the approval for material transactions. Matters that require the Board’s approval include, amongst others, the following:

- Board authorisation limits;
- Appointment and re-election of Directors at general meeting;
- Salaries and benefits/allowances of the members of the Board and key management personnel;
- Evaluation and approval of investments, mergers and acquisitions (“**M&A**”) transactions and divestments;
- Significant capital expenditure;
- Public announcements and responses to the SGX-ST/regulators, if any;
- Financial results announcements or press releases;
- Dividend decisions; and
- Auditors’ reports if deemed satisfactory and free of material errors after review.

## REPORT ON CORPORATE GOVERNANCE

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

Newly appointed directors will be given briefings and orientation by the Executive Directors and Management to familiarise them with the businesses and operations of the Group. Upon appointment, the Director will receive a letter of appointment setting out his duties and responsibilities. It is a requirement under Rule 210(5) of the Listing Manual of SGX-ST for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director (“LED”) programme organised by the Singapore Institute of Directors (“SID”) as prescribed under Practice Note 2.3 of the Listing Manual of SGX-ST.

The Directors may join institutes and group associations of specific interests and attend relevant training seminars or informative talks from time to time so that they are in a better position to discharge their duties. The Company encourages the directors to attend courses in areas of directors’ duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act 1967 of Singapore (the “Companies Act”) and industry-related matters, to develop themselves professionally, at the Company’s expense.

During FY2024, the Company Secretary provided the Board with updates on changes in laws and regulations, including the Companies Act, Rules of the Listing Manual of SGX-ST and the Code of Corporate Governance, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) (“SFRS(I)”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates the Directors on the business activities of the Group during Board and Board Committee meetings.

In March 2022, SGX RegCo announced eight sustainability training courses that directors of listed companies can attend to equip themselves with basic knowledge on sustainability matters. Directors must attend a sustainability training course to meet the enhanced SGX listing rules that mandated sustainability training for all board directors of equity issuers listed on SGX. All the Board members including new Board member have attended the sustainability training courses for Directors prescribed by SGX in FY2022.

The Board is the highest authority of approval and specific functions of the Board are either carried out by the Board or through various committees established by the Board, namely, the Audit Committee (the “AC”), the Nominating Committee (the “NC”) and the Remuneration Committee (the “RC”) (collectively, the “Board Committees”). Each committee has the authority to examine issues relevant to their term of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board Committees have been constituted with clearly defined written terms of reference, setting out the compositions, authorities and duties, including reporting back to the Board. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and regulatory environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board.

The Board conducts scheduled meetings on a quarterly basis. Additional meetings are convened as and when circumstances warrant. The Constitution of the Company (the “Constitution”) allows Board meetings to be conducted via any form of audio or audio-visual communication. The Directors are free to discuss any information or views presented by any member of the Board and Management.

The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group’s operations or business from the Management.

When necessary or appropriate, members of the Board exchange view outside the formal environment of board meetings. Each Board member is expected to discharge his duties and fiduciary responsibilities objectively at all times in the best interests of the Company.

## REPORT ON CORPORATE GOVERNANCE

The attendance record of each Director at meetings of the Board and Board Committees during FY2024 is disclosed below:

	Board	AC	NC	RC
<b>Number of meetings held in FY2024</b>	4	4	1	2
<b>Name of Director</b>	<b>Number of meetings attended in FY2024</b>			
Teo Kiang Ang	3	2 <sup>#</sup>	1 <sup>#</sup>	–
Teo Hark Piang	4	4 <sup>#</sup>	1 <sup>#</sup>	2 <sup>#</sup>
Loo Hock Leong	4	4	1	2
Lim Chwee Kim <sup>*</sup>	1	1	1	1
Heng Chye Kiou	4	4	1	2
Yee Chia Hsing <sup>©</sup>	3	3	–	1

**Notes:**

<sup>#</sup> By Invitation.

<sup>\*</sup> Resigned as Independent Director at AGM held on 30 April 2024.

<sup>©</sup>Appointed as Independent Director at AGM held on 30 April 2024.

The Management provides members of the Board with quarterly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background and/or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meetings and minutes of meetings of all Board Committees held.

Senior executives also make presentations on performance of the Group's various businesses and business strategies at these meetings. These allow the Board to have a good understanding of the Group's operations and actively engage in robust discussions with the Group's senior executives. Directors may request for further explanation, briefings or discussions on any aspect of the Group's operations or business from Management. As and when required, Board members meet to exchange views outside the formal environment of Board meetings.

Detailed board papers are distributed to the Directors and any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentations and answer any queries that the Directors may have at the meetings.

The Board can have separate and independent access to the Management, the company secretary and external professionals including legal counsels and auditors. The appointment and removal of the company secretaries are subject to the approval of the Board as a whole.

The principal functions of the Board are:

1. Approving the broad policies, strategies and financial objectives of the Company and monitoring the performance of the Management;
2. Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
3. Approving the nominations of Directors and appointment of key personnel;
4. Approving major funding proposals, investment and divestment proposals; and
5. Assuming responsibility for corporate governance.

All Directors are required to declare their board representations. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

# REPORT ON CORPORATE GOVERNANCE

## Principle 2 – Board Composition and Guidance

**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

Currently, the Board comprises five (5) directors, as set out below. There is one Executive Director namely Mr Teo Hark Piang, who is also the Chief Executive Officer (“CEO”), and one Non-Executive Director namely Mr Teo Kiang Ang, who is the Chairman of the Group. The Non-Executive and Independent Directors comprise Mr Loo Hock Leong, Mr Heng Chye Kiou and Mr Yee Chia Hsing.

Director	Designation	Date of Initial Appointment as Director	Date of Last Re-Election	AC	NC	RC
Teo Kiang Ang	Non-Executive Chairman	3 October 2016	30 April 2024	–	–	–
Loo Hock Leong <sup>(1)</sup>	Lead Independent Director	20 June 2017	27 April 2023	Chairman	Member	Member
Heng Chye Kiou	Independent Director	20 June 2017	27 April 2023	Member	Chairman	Member
Teo Hark Piang <sup>(1)</sup>	Executive Director and Chief Executive Officer	1 November 2018	28 April 2022	–	–	–
Yee Chia Hsing	Independent Director	30 April 2024	Not Applicable	Member	Member	Chairman

**Note:**

(1) Mr Loo Hock Leong and Mr Teo Hark Piang will retire pursuant to Regulation 117 of the Constitution and they are subject to re-elections as directors of the Company at the forthcoming AGM of the Company.

Details of the Directors’ qualifications and experiences are set out on pages 6 to 8 (Directors’ Profile) of this Annual Report.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the Code and the Rules of the Listing Manual of SGX-ST. The NC adopts the Code’s definition of what constitutes an “independent” Director in its review.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, its Practice Guidance and Rules 210(5)(d)(i) and (ii) of the Listing Manual of SGX-ST and noted that none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director’s independent judgement.

On 11 January 2023, Singapore Exchange Regulation (“SGX RegCo”) announced Listing Rule changes to limit to nine (9) years the tenure of Independent Directors serving on the boards of listed companies and to remove the two-tier vote mechanism for listed companies to retain long-serving Independent Directors who have served for more than nine (9) years. The two-tier vote was removed on 11 January 2023. As transition, Independent Directors whose tenure exceeds the nine-year limit can continue to serve as Independent Directors until the listed companies’ annual general meeting held for the financial year ending on or after 31 December 2023. On or after 31 December 2023, a director who has served on the board for a cumulative period of nine (9) years will no longer be deemed to be independent.

There is no Independent Director who has served beyond nine (9) years since the date of his first appointment.

For FY2024, the NC has reviewed and confirmed the independence of the Independent Directors, Mr Loo Hock Leong, Mr Heng Chye Kiou and Mr Yee Chia Hsing in accordance with the Code.

The Independent Directors have also confirmed their independence in accordance with the Code. Each member of the NC has abstained from deliberations in respect of the assessment of his own independence.

## REPORT ON CORPORATE GOVERNANCE

As majority of the Board is independent, the requirement of the Code that at least half of the Board comprises Independent Directors where the Chairman and the Chief Executive Officer (or equivalent) are immediate family members, is part of the management team and is not an independent director, is satisfied.

For FY2024, the NC had reviewed the size and composition of the Board for effective decision making, taking into account factors such as the scope and nature of the operations of the Group and the core competencies of Board members in the fields of accounting and finance, and relevant industry experience. The Non-Executive Directors are able to constructively challenge and assist in the development of the business strategies and in reviewing and monitoring of the Management's performance against set targets.

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group.

The Company has adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board. The Company recognises and embraces the benefits of diversity on the Board, and views diversity at the Board as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In FY2024, the Board Diversity Policy was revised to reflect the Company's commitment to consider suitable candidates in the Board appointment selection process. The NC will consider candidates on merit against objective criteria and with due regard for diversity on the Board.

The NC is responsible for setting the relevant objectives that promote and achieve diversity on the Board including giving due regard to the benefits of all aspects of diversity striving to ensure that the Board is appropriately balanced.

The main objective of the Board Diversity Policy is to continue to maintain appropriate balance of the Board's perspectives, skills and experience to support the Company's long-term goals and success. The Board also recognises that diversity is not limited any personal attributes and believes that having experienced Directors with an independent mindset is important for the Board to be effective.

The NC is also responsible for developing a framework to identify the skills that the Board collectively needs to discharge the Board's responsibilities effectively, taking into account the existing risk profile, business operations and future business strategy.

The Company's Board Diversity Policy endorses the principle that its Board should have the balance of experience, skills, knowledge and independence that supports the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board Diversity Policy provides for NC to consider a combination of factors such as skills, knowledge, professional experience, independence etc.

In addition, the Board consists of directors with ages ranging from 40s to 70s, who serve on the Board for different tenures. The Board members with their combined business, management and professional and industrial experiences, knowledge and expertise, provide core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The Board will continue taking the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

## REPORT ON CORPORATE GOVERNANCE

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

The NC ensures that the size of the Board is conducive to effective discussion and decision-making, and that the Board has an appropriate number of Independent Directors to provide diversity in expertise, knowledge and experience. Members of the Board include seasoned professionals in engineering, finance and business management. The Board believes that its members' different backgrounds, skill sets and experience provide a diversity of perspectives which contribute to the quality of its decision-making.

The NC is of the view that the current Board comprises persons who collectively possess the necessary core competencies, and as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, and that the current Board size and diversity are appropriate, taking into consideration the nature and scope of the Group's operations. Every year, the NC conducts its review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. The NC, having reviewed the completed forms, is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The NC and the Board will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity on the Board.

The Company is committed to ensuring and enhancing diversity on the Board and will consider the benefits of all aspects of diversity, including diversity of skills, experience, background and other relevant factors. The NC will ensure that board appointments are made based on merit, in the context of skills, experience, independence and knowledge of the candidate.

The NC will also continue to assess independence, bearing in mind Principle 2 of the Code and Provisions 2.2 and 2.3 of the Code, in any change in the Board composition when appropriate, as part of the Board's renewal process.

The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience and professional qualifications on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

When appropriate, the Company may engage external consultant to search for appropriate and suitable candidate to the Board.

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy. The NC reviews annually the size of the Board, balance and diversity of skills, knowledge and experience required by the Board. All Directors are professionals in their own fields. Together they bring to the Board multiple skill sets, relevant competencies and attributes to discharge the functions of the Board and Board Committees. The NC also aims to maintain a diversity of expertise, knowledge and experience in the fields of engineering, finance, law and business as attributes among the Directors.

Led by the Lead Independent Director, the Independent Directors may at any time meet separately without the presence of Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-Executive Chairman, as appropriate.

# REPORT ON CORPORATE GOVERNANCE

## Principle 3 – Chairman and Chief Executive Officer

**There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.**

Mr Teo Kiang Ang is our Non-Executive Chairman and Mr Teo Hark Piang, who is an immediate family member of the Chairman, is our CEO. Accordingly, pursuant to Provision 3.3 of the Code, the Board has appointed Mr Loo Hock Leong as the Lead Independent Director.

The roles of the Non-Executive Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that there is a clear division of responsibilities between the leadership of the Board and the Management.

The Chairman provides overall leadership to the Board. The Chairman, with the help of the Company Secretary, ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with fellow directors and other executives, and if warranted, with professional advisors.

The Chairman also ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He promotes high standards of corporate governance as well as the culture of openness and debate at Board meetings. He also encourages constructive relationship within the Board and between the Board and Management while facilitating the effective contributions of Independent Directors during the Board meetings.

The CEO is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Management.

The role of the Lead Independent Director is to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is available to shareholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman or the Management.

## Principle 4 – Board Membership

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The Company has established the NC to make recommendations to the Board on all Board appointments and re-appointments.

The NC comprises three directors, three of whom including the NC Chairman, are non-executive and independent. The Lead Independent Director is also a member of the NC. Currently, the NC members are:

- Heng Chye Kiou (Chairman)
- Loo Hock Leong
- Yee Chia Hsing

The key terms of reference of the NC include:

- (a) making recommendations to the Board on relevant matters relating to:
  - (i) the review of board succession plans for Directors and in particular, the Chairman and the CEO;
  - (ii) the reviewing of training and professional development programmes for the Board; and
  - (iii) the appointment and re-appointment of Directors (including alternate Directors, if applicable);
- (b) reviewing and determining annually, and as and when circumstances require, if a Director is independent, in accordance with the Code and any other salient factors;

## REPORT ON CORPORATE GOVERNANCE

- (c) reviewing the structure, size and composition of the Board annually to ensure that the Board and its committees comprise Directors who as a group provides an appropriate balance and diversity of the Group and provides core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- (d) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representation and other principal commitments;
- (e) identifying and developing training programmes/schedules for the Board and Board Committees and to ensure that all Board appointees undergo appropriate induction programme; and
- (f) reviewing and providing the Board with succession plans for the Board Chairman, Directors, CEO and key management personnel.

In addition, the NC has developed a process for the evaluation and performance of the Board, its Board Committees and individual Directors. In this regard, the NC will decide how the Board's performance is to be evaluated and propose objective performance criteria.

The NC has a process for assessing the effectiveness of the Board as a whole and its committees, and for assessing the contribution of our Chairman and each individual Director to the effectiveness of the Board in place. The NC Chairman will act on the results of the evaluation of the Board, and in consultation with the NC to propose, where appropriate, any new member to be appointed to the Board or seek the resignation of an existing Director.

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through our network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. No talent acquisition firm was engaged in FY2024. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board which retains the final discretion in appointing such new Directors.

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the needs of the Group, qualifications, experience and knowledge of the candidate, his contribution and performance as Director of the Company, officer of other companies and/or professionals in his area of expertise, candidate's competence, integrity and independence of the candidate (for Independent Directors).

At each AGM of the Company, the Constitution requires one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, being one-third of those who have been longest in office since their last re-elections. Newly appointed Directors will have to retire at the next AGM following their appointments. The retiring Directors are eligible to offer themselves for re-election.

The NC has noted that the following directors will retire by rotation at the forthcoming AGM pursuant to the following Regulation:

<b>Name of Director</b>	<b>Designation</b>	<b>Retiring Pursuant to Regulation Number</b>
Teo Hark Piang	Executive Director and Chief Executive Officer	117
Loo Hock Leong	Lead Independent Director	117

## REPORT ON CORPORATE GOVERNANCE

As at the date of this annual report and pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information as set out in Appendix 7.4.1 relating to Mr Teo Hark Piang and Mr Loo Hock Leong are disclosed below:

Name	Teo Hark Piang	Loo Hock Leong
Date of appointment	1 November 2018	20 June 2017
Date of last re-appointment	28 April 2022	27 April 2023
Age	47	54
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Pursuant to Regulation 117 of the Constitution, Mr Teo Hark Piang will retire from office by rotation, being one-third of the Board. The Nominating Committee has reviewed, taking into consideration Mr Teo's overall contributions and performance as well as his extensive knowledge of the industry which will continue to enhance board deliberation, has recommended him for re-election at the forthcoming AGM and the Board has approved the recommendation.	Pursuant to Article 117 of the Constitution, Mr Loo Hock Leong will retire from office by rotation, being one-third of the Board. The Nominating Committee has reviewed, taking into consideration Mr Loo's overall contribution and performance as well as his extensive knowledge of industry and accounting which will continue to enhance board deliberation, has recommended him for re-election at the forthcoming AGM and the Board has approved the recommendation.
Whether appointment is executive, and if so, the area of responsibility	Executive. The Group's overall management, including but not limited to overseeing the day-to-day operations and setting direction and growth path of the Group's business.	Non-Executive
Job title (e.g. Lead Independent Director, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Lead Independent Director, Chairman of Audit Committee and Member of Nominating Committee and Remuneration Committee
Professional qualifications	Nil	Bachelor of Electrical Engineering (Hons), National University of Singapore Masters of Applied Finance, Macquarie University Singapore Chartered Accountant Advanced Management Programme, Harvard Business School
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Son of Mr Teo Kiang Ang, Non-Executive Chairman and Substantial Shareholder of the Company, brother of Mr Teo Woo Yang, Business Development Director, Ms Alexis Teo Soak Theng, General Manager (Plant Operations) and Ms Alice Teo Soak Inn, Project Manager.	None

## REPORT ON CORPORATE GOVERNANCE

Name	Teo Hark Piang	Loo Hock Leong
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1)	Yes	Yes
Working experience and occupation(s) during the past 10 years	<p>Director:</p> <p>Union Gas Holdings Limited Group:</p> <ul style="list-style-type: none"> <li>• KK Gas Services Pte. Ltd.</li> <li>• Nguan Huat L P Gas Supplier Pte. Ltd.</li> <li>• Sembas (Asia) Trading Pte. Ltd.</li> <li>• Semgas Supply Pte. Ltd.</li> <li>• Summit Gas Systems Pte. Ltd.</li> <li>• U Cambodia Pte. Ltd.</li> <li>• U-Gas Pte. Ltd.</li> <li>• U-Global Pte. Ltd.</li> <li>• Union Energy Pte. Ltd.</li> <li>• Union Gas Holdings Limited</li> <li>• Union Gas Pte. Ltd.</li> <li>• Union LPG Pte. Ltd.</li> <li>• You Cai Engineering Pte. Ltd.</li> </ul> <p>Union Energy Corporation Pte. Ltd. Group:</p> <ul style="list-style-type: none"> <li>• Choon Hin Gas Supply Pte. Ltd.</li> <li>• Union Assurance Agency Pte. Ltd.</li> <li>• Union Energy Corporation Pte. Ltd.</li> <li>• Union Power Pte. Ltd.</li> <li>• Union Solar Pte. Ltd.</li> <li>• Helios One Pte. Ltd.</li> </ul> <p>Other companies:</p> <ul style="list-style-type: none"> <li>• Azilla Assets Pte. Ltd.</li> <li>• Bukit Timah Seu Teck Sean Tong Institution Limited</li> <li>• Choon Hin Investments Pte. Ltd.</li> <li>• Gasmart Pte. Ltd.</li> <li>• LK Tang Pte. Ltd.</li> <li>• Nam Hwa Opera Limited</li> <li>• Semgas (S) Pte. Ltd.</li> <li>• T K A Construction Pte. Ltd.</li> <li>• Traditional Arts Centre (Singapore) Ltd.</li> <li>• World Zhang Clan Pte. Ltd.</li> <li>• Yuan Shi Dian (Singapore) Limited</li> </ul> <p>Commissioner:</p> <ul style="list-style-type: none"> <li>• PT Global Industrial Gases</li> </ul>	<p>Parkway Trust Management Limited, Manager of Parkway Life REIT, Chief Financial Officer and Chief Operating Officer.</p> <p>Director:</p> <ul style="list-style-type: none"> <li>• Matsudo Investment Pte. Ltd.</li> <li>• Unoterra Trustee Pte. Ltd.</li> </ul>

## REPORT ON CORPORATE GOVERNANCE

Name	Teo Hark Piang	Loo Hock Leong
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes
Shareholding details	Mr Teo is directly interested in the 25,577,000 ordinary shares of the Company.	Mr. Loo is directly interested in the 800,000 ordinary shares of the Company.
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Directorships: <ul style="list-style-type: none"> <li>• Bukit Timah Seu Teck Sean Tong Institution Limited</li> <li>• Gasmart Pte. Ltd.</li> <li>• Semgas (S) Pte. Ltd.</li> <li>• U-Gas Pte. Ltd.</li> <li>• U Cambodia Pte. Ltd.</li> </ul>	Directorships: <ul style="list-style-type: none"> <li>• Matsudo Investment Pte. Ltd.</li> <li>• Unoterra Trustee Pte. Ltd.</li> </ul>
Present	Directorships: <p>Union Gas Holdings Limited Group:</p> <ul style="list-style-type: none"> <li>• KK Gas Services Pte. Ltd.</li> <li>• Nguan Huat L P Gas Supplier Pte. Ltd.</li> <li>• Sembas (Asia) Trading Pte. Ltd.</li> <li>• Semgas Supply Pte. Ltd.</li> <li>• Summit Gas Systems Pte. Ltd.</li> <li>• U-Global Pte. Ltd.</li> <li>• Union Energy Pte. Ltd.</li> <li>• Union Gas Holdings Limited</li> <li>• Union Gas Pte. Ltd.</li> <li>• Union LPG Pte. Ltd</li> <li>• You Cai Engineering Pte. Ltd.</li> </ul> <p>Union Energy Corporation Pte. Ltd. Group:</p> <ul style="list-style-type: none"> <li>• Choon Hin Gas Supply Pte. Ltd.</li> <li>• Union Assurance Agency Pte. Ltd.</li> <li>• Union Energy Corporation Pte. Ltd.</li> <li>• Union Power Pte. Ltd.</li> <li>• Union Solar Pte. Ltd</li> <li>• Helios One Pte. Ltd.</li> </ul> <p>Other companies:</p> <ul style="list-style-type: none"> <li>• Azilla Assets Pte. Ltd.</li> <li>• Choon Hin Investments Pte. Ltd.</li> <li>• LK Tang Pte. Ltd.</li> <li>• Nam Hwa Opera Limited</li> <li>• T K A Construction Pte. Ltd.</li> <li>• Traditional Arts Centre (Singapore) Ltd.</li> <li>• World Zhang Clan Pte. Ltd.</li> <li>• Yuan Shi Dian (Singapore) Limited</li> </ul> <p>Commissioner:</p> <ul style="list-style-type: none"> <li>• PT Global Industrial Gases</li> </ul>	Directorships: <ul style="list-style-type: none"> <li>• Parkway Life Malaysia Pte. Ltd.</li> <li>• Parkway Life Malaysia Sdn. Bhd.</li> <li>• Parkway Life MTN Pte. Ltd.</li> <li>• Parkway Life Japan2 Pte. Ltd.</li> <li>• Parkway Life Japan3 Pte. Ltd.</li> <li>• Parkway Life Japan4 Pte. Ltd.</li> <li>• IFS Capital Limited</li> <li>• Parkway Life Nova Pte Ltd</li> </ul> <p>Manager:</p> <ul style="list-style-type: none"> <li>• Parkway Life Santé</li> <li>• Parkway Life Santé 1 SCI</li> <li>• Parkway Life Santé 2 SCI</li> <li>• Parkway Life Santé 3 SCI</li> <li>• Parkway Life Santé 4 SCI</li> <li>• Parkway Life Santé 5 SCI</li> <li>• Parkway Life Santé 6 SCI</li> <li>• Parkway Life Santé 7 SCI</li> <li>• Parkway Life Santé 8 SCI</li> <li>• Parkway Life Santé 9 SCI</li> </ul>

## REPORT ON CORPORATE GOVERNANCE

Name	Teo Hark Piang	Loo Hock Leong
Information Required Pursuant to Rule 704(7) of the Listing Manual of SGX-ST		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

## REPORT ON CORPORATE GOVERNANCE

Name	Teo Hark Piang	Loo Hock Leong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes, please refer to paragraphs 1 of the disclosure in relation to Mr Teo.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

## REPORT ON CORPORATE GOVERNANCE

Name	Teo Hark Piang	Loo Hock Leong
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes, please refer to paragraphs 2(a) and 2(b) of the disclosure in relation to Mr Teo.	No

1. Mr Teo Hark Piang was a director of Sengas (S) Pte. Ltd. and Gasmart Pte. Ltd., both which paid composition sums to the Inland Revenue Authority of Singapore (“IRAS”) in 2012 for their inadvertent omission of certain income items in their IR8A forms.
2. Other Incidents
  - (a) In or around 2009, Mr Teo Hark Piang was interviewed by The Corrupt Practices Investigation Bureau to assist in investigation in relation to the alleged corrupt practices involving an officer of The National Environment Agency of Singapore, who was granted a discharge amounting to an acquittal in October 2010. Mr Teo Hark Piang was not the subject of the investigation, and there had been no further contact or request for assistance from the Corrupt Practices Investigation Bureau, and Mr Teo Hark Piang had not been charged with any offence in relation to the incident;
  - (b) Mr Teo Hark Piang previously had not declared car benefits for the reporting to IRAS for the year of assessment between 2004 and 2009. A penalty of the full amount was imposed by IRAS in 2012 and was settled in the same year.

The NC had reviewed, taking into consideration Mr Teo Hark Piang, being the Executive Director and Chief Executive Officer of the Company and his working experience, time commitment and level of participation at Board and committee meetings that Mr Teo Hark Piang who will retire by rotation pursuant to Regulation 117 of the Constitution, being eligible and having consented, be nominated for re-election as Director at the forthcoming AGM, and subject to being duly re-elected, Mr Teo Hark Piang will remain as the Executive Director and Chief Executive Officer of the Company. Key information details on Mr Teo Hark Piang are set out on page 6 of this Annual Report.

## REPORT ON CORPORATE GOVERNANCE

The NC had also reviewed, taking into consideration Mr Loo Hock Leong, being the Lead Independent Director, Chairman of the AC and a member of the NC and RC, and his continued ability to contribute through his extensive accounting knowledge to the Company, recommends that Mr Loo Hock Leong who will retire by rotation pursuant to Article 117 of the Constitution, being eligible and having consented, be nominated for re-election as Director at the forthcoming AGM, and subject to being duly re-elected, Mr Loo Hock Leong will remain as the Lead Independent Director, Chairman of the AC and a member of the NC and RC. Key information details on Mr Loo Hock Leong are set out on page 7 of this Annual Report.

Upon re-election as Director, Mr Teo Hark Piang will remain as Executive Director and Chief Executive Officer of the Company.

Upon re-election as Director, Mr Loo Hock Leong will remain as the Lead Independent Director, Chairman of the AC and a member of the NC and RC will be considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

In assessing and recommending a candidate for appointment to the Board, the NC takes into consideration the background, qualifications, experience and knowledge that the candidate brings, and which could benefit the Board. Other important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour), as an Independent Director.

The NC may also engage external search consultants to search for new Directors at the Company's expense. New Directors are appointed by way of a board resolution after the NC recommends the appointment for the consideration and approval by the Board.

As a broad-based NC policy, the board nomination process for evaluating an Executive Director vis-à-vis a Non- Executive or Independent Director is different. For an Executive Director, the nomination process would in general be tied to his ability to contribute through his business acumen and strategic thinking process for the business.

As for an Independent Director, his nominations are hinged on myriad of criteria whereby he should possess the independence of mind despite confirmation via in writing, as evaluated by the NC. The existing Independent Directors were selected from contacts as recommended to the Management, where the Management had in their opinion, deemed that these professionals will be able to give an independent view to take the Group's business to a higher level as the current Executive Directors lacked listed company directorship experience and would depend on the stewardship of more experienced Independent Directors.

Furthermore, the NC also had considered, and is of the opinion, that based on the following considerations evaluated, they had not impeded any Director's performance in FY2024 from carrying out their duties to the Company:

- (a) expected and/or competing time commitments of each Director;
- (b) number of board representation held by each Director;
- (c) structure, size and composition of the Board; and
- (d) nature and scope of the Group's operations and size.

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the Code which puts the independence of the Independent Directors in question.

## REPORT ON CORPORATE GOVERNANCE

For FY2024, the Board did not set any limit on the number of listed company directorships given that all Independent Directors were able to dedicate their time to the Group. Nevertheless, if the Board finds that time commitment is lacking from any particular director, they may consider imposing a limit in future. There is no alternate director appointed in FY2024.

The following key information regarding Directors are set out on the following pages of this Annual Report:

- (a) Pages 6 to 8 – Academic and professional qualifications, date of first appointment as director, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments, whether appointment is executive or non-executive, or considered by the NC to be independent; and
- (b) Page 71 – Shareholdings, if any, in the Company and its subsidiaries.

### Principle 5 – Board Performance

**The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.**

The NC is responsible for assessing the effectiveness of the Board as a whole, the Board Committees and each individual Director. The NC decides how the Board's performance may be evaluated and proposes objective performance criteria that are approved by the Board.

The NC meets once a year, and as warranted by circumstances, to discharge its functions. In FY2024, one NC meeting was held.

The Board has implemented a process for assessing its effectiveness as a whole and the Board Committees and each individual Director to the effectiveness of the Board. The assessments of the Board, the Board Committees and the individual Directors will be carried out annually.

The assessment utilises a confidential questionnaire, covering areas such as Board composition, Board processes managing the Group's performance, the effectiveness of the Board and the Board Committees. The questionnaires are completed by members of the Board and the Board Committees. The completed qualitative assessment questionnaires are collated for deliberation by the NC. The results, conclusions and recommendations are then presented to the Board by the NC.

The assessment of the individual Directors will be done through peer-assessments, in each case through a confidential questionnaire to be completed by the Directors individually. The assessment parameters for such individual evaluation include attendance and contributions during Board and Board Committee meetings as well as commitment to their roles as Directors. The completed questionnaires will then be collated for the NC's deliberation and reported to the Chairman of the Board. The Chairman will act on the results of the performance evaluation and the recommendations of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

The NC has reviewed the overall performance of the Board as a whole, the Board Committees and Individual Director for FY2024.

Following the review of the assessments of the Board as a whole, the Board Committees and Individual Director for FY2024, both the NC and the Board are of the view that the Board has met its performance objectives for FY2024. No external facilitator was used in the process.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

## REPORT ON CORPORATE GOVERNANCE

All appointments to the Board are made on merit and measured against objective criteria. In identifying and evaluating nominees for appointment as Directors, the NC will evaluate the skills, knowledge and experience as well as any other attributes of the potential candidates and in consultation with Management, determine the role and the desirable competencies for a particular appointment. Where the need to appoint a new Director arises, the NC will review the composition and range of knowledge, expertise, skills and attributes of the Board and Board Committees. The NC identifies the Company's needs with the appropriate profile for nomination before Management's sourcing for candidates through a network of contacts. The NC will conduct interviews with the short-listed candidates to assess their suitability and verify that candidates are aware of the expectations and level of commitment required. Finally, the NC will make a recommendation on the appointment to the Board for approval.

### (B) REMUNERATION MATTERS

#### Principle 6 – Procedures for Developing Remuneration Policies

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.**

The RC comprises entirely of Non-Executive Directors, all of whom are independent. The RC meets at least once a year, and as warranted by circumstances, to discharge its functions. In FY2024, two RC meetings were held.

Currently, the RC members are:

- Yee Chia Hsing (Chairman)
- Loo Hock Leong
- Heng Chye Kiou

The terms of reference of the RC cover the functions described in the Code including but not limited to, the following:

1. reviewing and recommending to the Board, in consultation with the Chairman of the Board for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of Directors, the Chairman, the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of our Company ("**Key Management Personnel**");
2. reviewing and recommending to the Board for endorsement, the specific remuneration packages for each Director and Key Management Personnel;
3. reviewing and approving the design of all share option plans, performance share plans and/or other equity based plans;
4. in the case of service contracts, reviewing the Company's obligations arising in the event of termination of the Directors' or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance; and
5. reviewing the link between performance and reward in the remuneration structure of each of the Director and Key Management Personnel and recommends such targets for each of such Director and Key Management Personnel, for endorsement by the Board.

All recommendations made by the RC on remuneration of Directors and Key Management Personnel will be submitted to endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him. As and when deemed appropriate by the RC, independent expert advice will be sought at the Company's expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

## REPORT ON CORPORATE GOVERNANCE

The RC considers all aspects of remuneration (including Director's Fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendations to the Board.

The Independent Directors receive Directors' Fees in accordance with their contributions and taking into account factors such as effort and time spent and their responsibilities. The Directors' Fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated.

### Principle 7 – Level and Mix of Remuneration

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

The RC recommends to the Board the quantum of Directors' Fees and the Board in turn endorses the recommendations for shareholders' approvals at each AGM. To facilitate timely payment of Directors' Fees, the Company has recommended for the Directors' Fees amounting to S\$783,000 to be paid on a half yearly basis in arrears for the financial year ending 31 December 2025 once approvals are obtained from shareholders at the forthcoming AGM.

For FY2024, the payment of \$773,686 as Directors' Fees to Non-Executive and Independent Directors had been approved at the AGM held on 30 April 2024.

The remuneration packages take into consideration the performance of the Group and individual assessment of each Non-Executive Director, the level of contribution to the Company and Board and taking into account various factors including but not limited to efforts and time spent, responsibilities and duties of the Directors.

For the Executive Directors and Key Management Personnel, each of their service agreements and/or compensation packages is reviewed by the RC. These service agreements cover the terms of employment and specifically, the salaries and bonuses of the Executive Directors and Key Management Personnel. The Company may terminate a service agreement if, inter alia, the relevant Executive Directors or Key Management Personnel is guilty of dishonesty or serious or persistent misconduct, becomes bankrupt or otherwise acts in breach of the service agreement so as to materially prejudices the business of the Company or Group.

The Company has entered into a service agreement with the Executive Director and CEO, namely, Teo Hark Piang.

The RC will ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised. Non-Executive Directors are able to participate in the Share Option Scheme and Performance Share Plan (as defined below) and hold shares in the Company so as to better align their interests with the interests of shareholders.

During FY2024, the RC had reviewed the compensation and remuneration packages and believes that the remuneration of Directors and Key Management Personnel commensurate with their respective roles and responsibilities. No external remuneration consultant was engaged in FY2024.

There are no termination, retirement and post-employment benefits that may be granted to the Directors, the Chairman, CEO and top 5 Key Management Personnel.

The Company has not adopted the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company. It shall consider such use of contractual provisions in future or at a more appropriate juncture depending on factors such as the scale and size of the Group's operations.

## REPORT ON CORPORATE GOVERNANCE

### Principle 8 – Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown (including percentage terms) of the remuneration and other payments and benefits of Directors of the Company for FY2024 is set out below:

Directors	Salary <sup>1</sup> \$'000/%	Bonus and Others <sup>1</sup> \$'000/%	Director's Fees \$'000/%	Total <sup>1</sup> \$'000/%
<b>Above \$1,000,000</b>				
Teo Hark Piang <sup>2</sup>	814/64%	460/36%	–	1,274/100%
<b>Between \$500,001 to \$750,000</b>				
Teo Kiang Ang	–	– <sup>3</sup>	600/100%	600/100%
<b>Below \$250,000</b>				
Loo Hock Leong	–	–	66/100%	66/100%
Lim Chwee Kim <sup>@</sup>	–	–	19/100%	19/100%
Heng Chye Kiou	–	–	59/100%	59/100%
Yee Chia Hsing	–	–	30/100%	30/100%

<sup>@</sup> Resigned as Independent Director at AGM held on 30 April 2024.

The breakdown (in percentage terms) of the remuneration of 5 Key Management Personnel (who are not Directors) of the Group for FY2024 is set out below:

Remuneration Band and Name of Key Management Personnel	Designation	Salary <sup>1</sup> (%)	Bonus and Others <sup>1</sup> (%)	Total (%)
<b>Between \$500,001 to \$750,000</b>				
Teo Woo Yang	Business Development Director	80	20	100
Alexis Teo Soak Theng	General Manager (Plant Operations)	63	37	100
<b>Between \$250,001 to \$500,000</b>				
Sim Lai Kitt	Group General Manager	85	15	100
Hong Pay Leng	Chief Financial Officer	72	28	100
<b>Below \$250,000</b>				
Sylvia Lio	Chief Accounting Officer	70	30	100

#### Notes:

- The salary and bonus shown are inclusive of Singapore's Central Provident Funds contributions.
- Remuneration of Mr Teo Hark Piang is calculated based on his Service Agreement.
- The advisory contract has been terminated.

The Company's success depends to a significant extent upon the Directors and Management. The loss of service of one or more of these key employees, most of whom are not bound by formal long-term service agreements, could have a material adverse effect on the Company. In view of this and in the best interest of the Company, the Company is not disclosing the exact remuneration of the Key Management Personnel or the link between performance and remuneration paid to the Directors and Key Management Personnel. In aggregate, the total remuneration paid to the above Key Management Personnel was \$1,888,849 in FY2024. The Board is of the view that the information disclosed is sufficient for shareholders to have adequate understanding of the remuneration for the Executive Directors and Key Management Personnel. Save for the Executive Directors, there are no employees who were substantial shareholders of the Company in FY2024.

## REPORT ON CORPORATE GOVERNANCE

Accordingly, the Company is of the view that its practices of disclosing the remuneration of Key Management Personnel in bands of \$250,000 are consistent with the intent of provision 8 of the Code, taking into account the strategic objectives of the Company pursuant to Principle 8 of the Code.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

During the financial year under review, employee in the Group who is an immediate family member of a Director or the CEO, and whose remuneration exceeded \$100,000 are shown as below:

<b>Remuneration Band</b>	<b>Relationship to Director or CEO</b>
<b><u>Between \$500,001 to \$600,000</u></b>	
Teo Woo Yang	Son of Mr Teo Kiang Ang and brother of Mr Teo Hark Piang
Alexis Teo Soak Theng	Daughter of Mr Teo Kiang Ang and sister of Mr Teo Hark Piang
<b><u>Between \$200,001 to \$300,000</u></b>	
Alice Teo Soak Imn	Daughter of Mr Teo Kiang Ang and sister of Mr Teo Hark Piang

The remuneration received by the Executive Director and Key Management Personnel takes into consideration his or her individual performance and contribution toward the overall performance of the Group for FY2024. Their remuneration is made up of fixed and variable compensations.

### SHARE OPTION SCHEME

On 19 June 2017, the shareholders adopted the "Union Gas Employee Share Option Scheme" (the "**Share Option Scheme**"). The Share Option Scheme has been assigned by the Board of Directors to be administered by our Remuneration Committee (the "**Committee**").

The primary objective of establishing the Share Option Scheme is to provide eligible participants (the "**Participants**") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Share Option Scheme, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain directors (including Independent Directors) and employees of the Group whose services are vital to our well-being and success. The other objectives of the Share Option Scheme are as follows:

- to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- to retain key employees and Directors whose contributions are essential to the long term growth and profitability of the Group;
- to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of the Group;
- to attract potential employees with relevant skills to contribute to our Group and to create value for shareholders of the Company; and
- to align the interests of Participants with the interests of our shareholders.

## REPORT ON CORPORATE GOVERNANCE

The Share Option Scheme allows for participation by confirmed employees and directors (including Independent Directors) of the Group and its associated companies, who have attained the age of 21 years on or before the relevant Offer Date, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. The aggregate number of shares in the capital of the Company (“**Shares**”) which may be offered by way of grant of options to the controlling shareholder and their respective associates under the Share Option Scheme shall not exceed 25% of the total number of Shares available under the Share Option Scheme, with the number of Shares which may be offered by way of grant of options to each controlling shareholder and his respective associate not exceeding 10% of the total number of Shares available under the Share Option Scheme.

The total number of Shares over which the Committee may grant options on any date, when added to the number of Shares issued and issuable in respect of all options granted under the Share Option Scheme (including the PSP (as defined herein) and any other share schemes of our Company) shall not exceed 15% of the number of all issued Shares (excluding treasury shares) on the day preceding the date of the relevant grant.

No Option or Share has been awarded to any Participant under the Share Option Scheme since adoption including in FY2024. The options that are granted under the Share Option Scheme may have exercise prices that are, at the discretion of the Committee:

- (a) set at a discount to a price equal to the average of the last dealt prices for the Shares on the SGX-ST for the five (5) consecutive market days, on which transactions in the Shares were recorded, immediately preceding the relevant Offer Date of the relevant option (the “**Market Price**”) subject to a maximum discount of 20% (the “**Incentive Options**”); or
- (b) fixed at the Market Price (the “**Market Price Options**”).

Subject as provided in the Share Option Scheme and any other conditions as may be introduced by the Committee from time to time, a Market Price Option or an Incentive Option, as the case may be and shall be exercisable, in whole or in part, as follows:

- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the offer date to grant an Option (“**Offer Date**”) and expiring on the tenth anniversary of the Offer Date (or such shorter period if so determined by the Committee); and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Offer Date, provided always that the Options granted to employees and executive directors of the Group and its associated companies shall be exercised before the tenth anniversary of the relevant Offer Date (or such shorter period if so determined by the Committee), and Options granted to non-executive directors of the Group and its associated companies shall be exercised before the fifth anniversary of the relevant Offer Date (or such shorter period if so determined by the Committee).

The Share Option Scheme shall continue in operation for a maximum period of 10 years provided that the Share Option Scheme may continue for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

### PERFORMANCE SHARE PLAN

On 19 June 2017, the shareholders adopted the “Union Gas Performance Share Plan” (the “**PSP**”). The PSP has been assigned by the Board of Directors to be administered by our Remuneration Committee (the “**Committee**”).

The PSP was established to increase our Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, executive directors and non-executive directors of the Group and its associated companies to achieve increased performance. The Directors believe that in addition to the Share Option Scheme, the PSP will further strengthen the Company’s competitiveness in attracting and retaining superior local and foreign talent.

## REPORT ON CORPORATE GOVERNANCE

The PSP allows our Company to target specific performance objectives and to provide an incentive for eligible participants (“**Participants**”) to achieve these targets. The Directors believe that the PSP will provide the Company with a flexible approach to provide performance incentives to the employees, executive directors and non-executive directors of the Group and its associated companies and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst key senior management, senior executives and non-executive directors.

The awards granted under the PSP represent the right of a participant to receive fully paid Shares free of charge provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period (the “**Awards**”).

Under the PSP, the selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant will be determined at the absolute discretion of the Committee based on, amongst others, his rank, job performance, creativity, innovativeness, entrepreneurship, years of service, potential for future development and his contribution to the success and development of the Group and if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The performance period, vesting period and other conditions will be determined by the Committee administering the PSP.

The PSP allows for participation by confirmed full time employees, executive directors and non-executive directors (including Independent Directors) of the Group and its associated companies who have attained the age of 21 years on or before the relevant date of grant of the Award. The aggregate number of Shares which may be issued or transferred to the controlling shareholder and their respective associates under the PSP shall not exceed 25% of the total number of Shares available under the PSP, with the number of Shares which may be delivered to each controlling shareholder and his respective associate not exceeding 10% of the total number of Shares available under the PSP.

The total number of Shares over which may be issued or transferred pursuant to the vesting of Awards, when added to the number of shares issued and issuable in respect of all Awards granted under the PSP (including shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company) shall not exceed 15% of the total number of issued Shares (excluding treasury shares) of the Company from time to time.

Further details on the Company’s PSP are set out on pages 210 to 219 of the Company’s Offer Document dated 13 July 2017.

During the financial year, no award has been granted and no share has been vested to its employees in FY2024. No Share was also issued or allotted to a Director or controlling shareholder and each of their associates under the Share Option Scheme and PSP in FY2024.

### (C) ACCOUNTABILITY AND AUDIT

#### Principle 9 – Risk Management and Internal Controls

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board is responsible for providing a balanced and understandable assessment of the Group’s performance, position and prospects, including interim and other price sensitive public information and reports to regulators (if required). Management provides the Board and Board Committees on a timely basis, with sufficient relevant information on the Group’s financial performance and commentary of the competitive conditions of the industry in which the Group operates, in order that it may effectively discharge its duties. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group’s operations or business from Management.

The Company has adopted an enterprise risk management (“**ERM**”) framework. This risk framework has four (4) principal risk categories, namely financial, operational, compliance and information technology risks.

## REPORT ON CORPORATE GOVERNANCE

Management is responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the AC and Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Identified risks that affect the achievement of the Group's business objectives are compiled in the Group Risks Register and are ranked according to the likelihood and consequential impact to the Group as a whole.

For further accountability, the announcements containing the half year financial statements are signed by the Executive Director and CEO, Mr Teo Hark Piang, and the Lead Independent Director, Mr Loo Hock Leong, for and on behalf of the Board, to confirm that it is to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in the announcement to be false or misleading in any material aspects. The Board approves the financial results after review and authorises the release of the results on SGXNet and the public. The Company also uploads latest announcement(s) which has been disseminated via SGXNet on its website [www.uniongas.com.sg](http://www.uniongas.com.sg).

The Board has the overall responsibility for the Group's risk management and internal controls in safeguarding shareholders' interests and the Group's assets. The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information, and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial implications, as well as for the authorisation of capital expenditure and investments.

The AC, with the assistance of the internal auditors, conduct reviews of the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The internal auditors have carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditors have in the course of its statutory audit, gained an understanding of those internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weakness had been raised by the internal and external auditors in the course of their work for FY2024.

Management also regularly reviews the Group's business and operations to identify areas of significant business risks and controls to mitigate the risks. The Management will highlight all significant matters to the Board and AC.

For FY2024, the Board had received assurance from the CEO and the Chief Financial Officer (the "CFO") the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board had also received assurance from the CEO, CFO and the Key Management Personnel, that there were no significant internal control issues or incidents to be brought to the AC's or the Board's attention in respect of the Group's effectiveness in terms of the risk management; and internal control systems addressing financial, operational and compliance risks and information technology are adequate and the Company's and the Group's risk management and internal control systems.

The design, implementation and operation of the accounting and internal control systems are intended to prevent and detect fraud and errors. The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls can provide absolute assurance against the occurrence of material misstatement or loss, poor judgment in decision making, human error, losses, fraud or other irregularities.

Based on the framework of risk management and internal controls established and maintained by the Management, reviews carried out by the AC, the report on the enterprise risk management of the Group, reviews performed by the internal and external auditors, and assurance from the CEO, CFO and Key Management Personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and system of internal controls are adequate and effective as at 31 December 2024 in addressing financial, operational, compliance and information technology risks.

# REPORT ON CORPORATE GOVERNANCE

## Principle 10 – Audit Committee (“AC”)

### The Board has an Audit Committee which discharges its duties objectively.

Currently, the AC comprises three members, all of whom are Non-Executive and Independent Directors. The members of the AC are:

- Loo Hock Leong (Chairman)
- Heng Chye Kiou
- Yee Chia Hsing

The terms of reference of the AC include the following:

1. review the relevance and consistency of the accounting standards, the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group’s financial performance;
2. review and report to the Board at least annually the adequacy and effectiveness of the Group’s internal controls, including financial, operational, compliance and information technology controls and risks management systems (such review can be carried out internally or with the assistance of any competent third parties);
3. review the effectiveness and adequacy of the Group’s internal audit function at least annually, including the determination whether the internal auditors have direct and unrestricted access to the Chairman of the Board and AC, and is able to meet separately to discuss matters/concerns;
4. review the scope and results of the external audit, and the independence and objectivity of the external auditors;
5. make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
6. review the system of internal controls and management of financial risks with the internal auditors;
7. review the co-operation given by the Management to the internal and external auditors, where applicable;
8. keep abreast of changes in accounting standards and issues which have a direct impact on financial statements;
9. review the assurance provided by the CEO and CFO regarding the financial records being properly maintained and the financial statements giving a true and fair view of the Group’s operations and finances;
10. participate in the appointment, replacement or dismissal of the head of internal audit or, if an external party, the internal auditors;
11. review the Group’s compliance with such functions and duties as may be required under the relevant statutes or the Rules of the Listing Manual of SGX-ST, including such amendments made thereto from time to time;
12. review and approve interested person transactions and review procedures thereof;
13. review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
14. review the risk management framework with a view to providing an independent oversight on the Group’s financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNet;
15. investigate any matters within its terms of reference;

## REPORT ON CORPORATE GOVERNANCE

16. review the policy and arrangements, by which the staff or any third party may, in confidence, raise concerns about possible improprieties including matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
17. where the AC deems necessary, to commission and review the findings of any internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position;
18. where the AC deems necessary, to commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective to mitigate the Group's internal control weaknesses (if any);
19. report to the Board its findings from time to time on matters arising and requiring the attention of the Committee or to undertake such other reviews and projects as may be requested by the Board; and
20. undertake such other functions and duties as may be required by statute or the Rules of the Listing Manual of SGX-ST, and by such amendments made thereto from time to time.

All members of the AC are not former partners or directors of the Company's external auditors.

The AC has explicit authority to investigate any matter within its terms of references. It has full access to Management and full discretion to invite any Director or Key Management Personnel to attend its meetings, and to be provided with reasonable resources to enable it to discharge its functions properly. The Executive Directors and Key Management Personnel, as and when required, were invited to be present at the AC meetings to report and brief the AC members on the financial and operating performance of the Group and to answer any queries from the AC members on any aspect of the operations of the Group.

During FY2024, the fees paid by the Company to the external auditors for audit and non-audit services amounted to \$201,000 and \$42,000 respectively. The AC has reviewed the non-audit services provided by the external auditors and is of the opinion that the independence and objectivity of the external auditors have not been affected.

The AC and the Board are of the view that the external auditors are adequately resourced. The external auditors are registered with the Accounting and Corporate Regulatory Authority. The AC has recommended to the Board the re-appointment of RSM SG Assurance LLP as external auditors of the Company at the forthcoming AGM of the Company.

The Group has outsourced its internal audit function to Yang Lee & Associates ("**YLA**" or "**Internal Auditor**") which reports directly to the AC. YLA is a professional service firm that specialises in the provision of internal audit, enterprise risk management and sustainability reporting advisory services. The firm was set up in 2005 and currently maintains an outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing services, food and beverage, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. The Internal Auditor is guided by the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**") issued by the Institute of Internal Auditors. The engagement team is staffed with professionals with knowledge and experience in internal audit, risk management and other relevant disciplines.

The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The Internal Auditor reports its audit findings and recommendations directly to the AC. The Internal Auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The Internal Auditor completed one internal audit review based on the internal audit plan for the financial year ended 31 December 2024. The AC approved the internal audit report and the Management has adopted key recommendations of the Internal Auditor as set out in the internal audit report. The AC has reviewed and is satisfied that the internal audit function is independent, adequate, effective and has the appropriate standing in the Company to discharge its duties effectively.

The Group has not appointed different auditors for its subsidiaries and it is in compliance with Rules 712 and 715 of the Listing Manual of SGX-ST in relation to the appointment of external auditors.

## REPORT ON CORPORATE GOVERNANCE

The AC had met up with the internal and external auditors without the presence of Management for FY2024. The external auditors were also invited to be present at AC meetings, as and when required, held during FY2024 to, *inter alia*, answer or clarify any matter on accounting and auditing or internal accounting controls that are relevant to the statutory audit.

During FY2024, the AC reviewed the planned audit procedures and the potential key audit areas presented by the external auditors. At the AC meeting held in February 2025, the AC received a report on FY2024 audit results from the external auditors, which summarised the audit work performed for the key audit areas. In particular, the following key audit matter was discussed during the meeting:

Key Audit Matter	How the AC reviewed these matters and what decisions were made:
Revenue Recognition	The AC discussed the audit procedures with the external auditors, reviewed the audit report and accepted the conclusions.

The Company has a whistleblowing policy in place which sets out the procedures for a whistleblower to make a report to the whistle-blowing committee on misconduct or wrongdoing relating to the Company and its employees and clearly communicates to employees the existence of such policy.

The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith.

To facilitate independent investigation of such matters and appropriate follow up actions, all whistle-blowing reports are directed to the whistle-blowing committee via a dedicated email address ([wbc@uniongas.com.sg](mailto:wbc@uniongas.com.sg)).

The AC is responsible for oversight and monitoring of whistle-blowing. The AC also has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. Depending on the nature of the concern raised or information provided, the investigation may be conducted involving one or more of these persons or entities:

- The investigation panel directed by the AC;
- The internal or external auditors; and/or
- Forensic professionals.

To date, no significant matter was raised through the Group's whistle-blowing channels.

For FY2024, the Board had concluded, with the help of the NC, that the members of the AC are appropriately qualified to discharge their duties and responsibilities. The Board's view is that adequate and reasonable assistance and support has been properly rendered by the Management to the AC and that the AC has effectively and efficiently contributed to the Board and the Group. The AC chairman is a Chartered Accountant with the Institute of Singapore Chartered Accountants, possesses a Masters of Applied Finance from the Macquarie University with three distinguished awards and holds the accreditation of Senior Accredited Director by SID including a GRI Certified Sustainability Professional. The AC chairman has also been the Chief Financial Officer and Chief Operating Officer of Parkway Trust Management Limited, Manager of Parkway Life REIT (which is listed on SGX-ST) since January 2009. For FY2024, the AC was provided with information such as updates on the changes to the Singapore Financial Reporting Standards (International) by the external auditors in the course of its report to AC.

# REPORT ON CORPORATE GOVERNANCE

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11 – Shareholder Rights and Conduct of General Meetings

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings and proxy form are dispatched to shareholders. The notices of general meetings together with proxy forms which are in the annual report and/or circular are made available to members by electronic means via publication on the Company's corporate website available on the SGX website within the time notice period as prescribed by the relevant regulations and the Company's Constitution. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company. Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

The Board, Management and the external auditors will also be present to address any relevant queries the shareholders may have.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

The Company's Constitution permits voting in absentia. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, electronic mail or facsimile.

However, the Constitution does allow a shareholder to vote either in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. A shareholder of a company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act), the Company allows a shareholder who is a relevant intermediary to appoint more than 2 proxies to attend and vote in his stead at the forthcoming AGM.

The Company has a dividend policy that aims to provide shareholders of the Company with a target annual dividend pay-out of not less than 50% of the net profit attributable to Shareholders excluding non-controlling interests and non-recurring, one-off and exceptional items.

Such declaration and payment of dividends shall be determined at the sole discretion of the Board, taking into account, *inter-alia*:

- (i) the level of the Group's cash and retained earnings;
- (ii) the Group's actual and projected financial performance;
- (iii) the Group's projected levels of capital expenditure and other investment plans;
- (iv) the Group's working capital requirements and general financing condition;
- (v) restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and
- (vi) any other factors that the Directors deem appropriate.

The Company has adopted the Union Gas Scrip Dividend Scheme (the "**Scheme**") on 25 February 2022.

# REPORT ON CORPORATE GOVERNANCE

## Principle 12 – Engagement with Shareholders

**The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company is committed treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company strives to disclose information on a timely basis to shareholders and ensure any disclosure of price sensitive information is not made to a selective group. The information is communicated to our shareholders via:

- annual reports – the Board strives to include all relevant information about the Group, including future developments and disclosures required by the Companies Act, Financial Reporting Standards and the Rules of the Listing Manual of SGX-ST; and
- SGXNet and press releases on major developments of the Group.

SGXNet disclosures and press releases of the Group are also available on the Company's website at [www.uniongas.com.sg](http://www.uniongas.com.sg).

The Company has appointed an investor relations firm to focus on facilitating communications with shareholders and attending to their queries and concerns. The notice of general meeting in the annual report was released on SGXNet and on the Company's website to inform shareholders of the upcoming meeting.

Through the investor relations ("IR") personnel, the Company communicates and engages with shareholders to provide balanced, clear and relevant information on a regular basis, as well as to attend to their queries or concerns.

To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out on Company's website. The IR personnel have procedures in place for following up and addressing shareholders queries.

## Principle 13 – Engagement with Stakeholders

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Company takes pride in meeting and exceeding the expectations of stakeholders and the engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the "Sustainability Report" section of the Annual Report.

Stakeholders who wish to know more about the Group and the business and governance practices can visit the Company's website ([www.uniongas.com.sg](http://www.uniongas.com.sg)) which includes an investor relations section containing the Company's financial highlights, annual reports, corporate announcements, media release, corporate governance, and investor relations contact.

The Group has identified 5 key stakeholder groups based on their relevance and influence on its business. They include customers, suppliers, employees, investors and regulatory bodies. The Group engages with these stakeholders through various informal and formal channels of communication as disclosed in the Sustainability Report.

## REPORT ON CORPORATE GOVERNANCE

### (E) DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities in compliance with Rule 1207(19) of the Listing Manual of SGX-ST, which has been disseminated to all Directors and employees within the Group. The Company will also send a notification via email to notify all its Directors and officers a day prior to the close of window for trading of the Company's securities.

The Company, its Directors and officers of the Company are reminded not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and be mindful of the law on insider trading as prescribed by the Securities and Futures Act 2001. The internal code on dealings in securities also makes clear that the Company, its Directors and officers should not deal in the Company's securities and securities of other listed companies, while in possession of unpublished price-sensitive information and prohibits trading as well as in the following periods:

- (i) the period commencing one month before the announcement of the Company's financial statements for its half-year and full financial year.

Each of the above periods will end on the date of the announcement of the relevant financial results of the Company.

### (F) INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

No IPT mandate has been obtained at the Annual General Meeting held on 30 April 2024. There are no interested person transactions fall under aggregate value of all interested person transactions (excluding transaction of less than \$100,000 each and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Mainboard Rules) during FY2024.

### (G) USE OF PROCEEDS (LISTING RULE 1207(20))

The Company raised gross proceeds from the IPO of approximately \$7.50 million (the "Gross Proceeds"). The Gross Proceeds have been utilised and re-allocated as per the Company's announcement on 3 August 2018 ("Re-Allocation") with the Gross Proceeds been utilised as follows:

Use of Proceeds	Gross Proceeds as re-allocated on 3 August 2018 ("Re-Allocation") \$'000	Proceeds utilised as at 27 February 2025 \$'000	Proceeds utilised from 27 February 2025 to the date of this annual report \$'000	Balance of Proceeds as at the date of this annual report \$'000
Acquisition of dealers for the Retail LPG Business	4,143	(4,143)	-	-
Diversification into the supply and retail of piped natural gas to customers in the services and manufacturing industries in Singapore	1,000	(153)	-	847
General working capital	724	(724)	-	-
Listing expenses	1,633	(1,633)	-	-
	7,500	(6,653)	-	847

## REPORT ON CORPORATE GOVERNANCE

The above utilisation of Gross Proceeds is in accordance with the intended use as stated in the Company's offer document dated 13 July 2017 and the Re-Allocation.

The Company will continue to make periodic announcement via SGXNet on the utilisation of the balance of the gross proceeds from the IPO as and when such proceeds are materially disbursed.

### (H) MATERIAL CONTRACTS

There were no material contracts involving the interests of any Director or controlling shareholders of the Company which has been entered into by the Group, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

### (I) CORPORATE ACTIONS

#### INCORPORATION

On 19 April 2024, the Group incorporated a wholly-owned subsidiary, KK Gas Services Pte. Ltd. ("**KKGS**"), in Singapore. The principal activities of the KKGS are those of retail sale of liquefied petroleum gas.

On 13 September 2024, the Company's wholly-owned subsidiary, U-Global Pte. Ltd., has incorporated a company, PT Global Industrial Gases ("**PTGIG**"), in Indonesia and started its new business located in Batam, Indonesia. U-Global Pte Ltd owns 95% and Adrian Yanlin owns 5% shareholdings respectively. The principal activities of PTGIG is to produce basic inorganic chemicals of industrial gas which includes basic chemicals industry business producing industrial gases (acids, nitrogenous substances, carbonaceous substances, ammonia and dry ice) and noble gases (helium, neon, argon and radon) as well as other types of industrial gases.

#### CESSATION

On 20 September 2024, an application to strike off of U Cambodia Pte. Ltd. ("**U Cambodia**"), which is a wholly-owned subsidiary of U-Global Pte. Ltd., has been submitted with the Accounting and Corporate Regulatory ("**ACRA**") pursuant to Section 344A of the Companies Act.

U Cambodia had been struck off from the register of the ACRA on 20 February 2025.

## STATEMENT BY DIRECTORS

The directors are pleased to present the accompanying consolidated financial statements of Union Gas Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the reporting year ended 31 December 2024.

### 1. Opinion of the directors

In the opinion of the directors,

- (a) The accompanying consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the reporting year ended on that date; and
- (b) At the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

### 2. Directors

The directors of the Company in office at the date of this statement are:

Teo Kiang Ang

Teo Hark Piang

Loo Hock Leong

Heng Chye Kiou

Yee Chia Hsing

(Appointed on 30 April 2024)

### 3. Directors’ interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors’ shareholdings kept by the Company under section 164 of the Companies Act 1967 (the “**Act**”), except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of reporting year	At end of reporting year	At beginning of reporting year	At end of reporting year
<u>The Company</u>			<u>Number of shares of no par value</u>	
Teo Kiang Ang	67,813,500	67,813,500	119,106,435	119,106,435
Teo Hark Piang	25,577,000	25,577,000	–	–
Loo Hock Leong	800,000	800,000	–	–

By virtue of section 7 of the Act, Mr. Teo Kiang Ang is deemed to have an interest in all related body corporates of the Company.

The directors’ interests as at 21 January 2025 were the same as those at the end of the reporting year.

## STATEMENT BY DIRECTORS

### 4. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

Neither at the end of nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, except as mentioned below.

### 5. Union Gas Performance Share Plan

The Union Gas Performance Share Plan (the “**Union Gas PSP**”) of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 19 June 2017. The Union Gas PSP is administered by the Remuneration Committee of the Company, comprising three directors, namely, Mr. Yee Chia Hsing (Chairman), Mr. Heng Chye Kiou and Mr. Loo Hock Leong.

The Union Gas PSP is intended to reward, retain and motivate employees to higher standards of performance and encourage greater dedication and loyalty by enabling the Company to give recognition to outstanding employees of the Group and/or associated companies. Employees of the Group and/or associated companies shall be eligible to participate in the Union Gas PSP subject to the absolute discretion of the Remuneration Committee.

Awards will be released to participants as fully paid shares upon expiry of the prescribed vesting periods or retention periods and subject to conditions prescribed in the Union Gas PSP. The share awards granted by the Company do not entitle the holders of the share awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

The aggregate number of shares available under the Union Gas PSP shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company. The actual number of shares awarded will depend on the achievement of set targets over a year. This will be determined by the Remuneration Committee at the end of the qualifying performance period and released to the recipient over a three-year vesting period.

Since the commencement of the Union Gas PSP, no share awards have been granted to the directors, controlling shareholders of the Company or their associates and no participant under the Union Gas PSP has been granted 5% or more of the total share awards available under the plan.

There were no unissued shares of the Company or its related body corporates under shares awards granted by the Company or its related body corporates as at the end of the reporting year.

### 6. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## STATEMENT BY DIRECTORS

### 7. Audit committee

The members of the Audit Committee (“AC”) at the date of this statement are:

Loo Hock Leong (Chairman)  
Heng Chye Kiou  
Yee Chia Hsing

All members of the AC are non-executive directors and are independent.

The AC performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor and internal auditor their audit plans;
- Reviewed with the independent external auditor their evaluation of the internal accounting controls of the Company that are relevant to their statutory audit and the assistance given by management to them;
- Reviewed the annual financial statements and the independent external auditor’s report on the financial statements of the Group and of the Company and discuss any significant adjustments, major risk areas, change in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from statutory audit including any matters which the independent external auditor may wish to discuss in the absence of management, where necessary, before their submission to the board of directors for adoption;
- Reviewed the results of the review and evaluation of the system of internal controls of the Group by the internal auditor and any matters which the internal auditor may wish to discuss in the absence of management;
- Reviewed the effectiveness of material internal controls of the Group, including financial, operational, compliance and information technology controls and risk management through reviews carried out by the internal auditor;
- Met with the independent external auditor and internal auditor, other committees and management in separate executive sessions to discuss any matters that these parties believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the independent external auditor and internal auditor;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual.

Other functions performed by the AC are disclosed in the Corporate Governance Report included in the Annual Report. It also includes an explanation of how independent external auditor’s objectivity and independence are safeguarded where the independent external auditor provides non-audit related services to the Group, if any.

The AC has recommended to the board of directors that RSM SG Assurance LLP be nominated for re-appointment as independent external auditor at the forthcoming Annual General Meeting of the Company.

## STATEMENT BY DIRECTORS

### 8. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

### 9. Subsequent developments

There are no significant developments subsequent to the release of the preliminary financial information of the Group and of the Company, as announced on 27 February 2025, which would materially affect the operating and financial performance of the Group and of the Company as of the date of this statement.

On behalf of the directors

.....  
Teo Kiang Ang  
Director

.....  
Teo Hark Piang  
Director

1 April 2025

# INDEPENDENT AUDITOR'S REPORT

To the Members of Union Gas Holdings Limited

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Union Gas Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition

Please refer to note 2A on the relevant accounting policy, note 2B on revenue recognition and note 5 on revenue.

The Group derives its revenue from the sale of liquefied petroleum gas (“**LPG**”) and LPG-related accessories, and the sale of natural gas, diesel, electric vehicle charging services and industrial gases. We have identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group. In addition, under SSA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*, revenue recognition is a presumed fraud risk.

The Group’s customer information, billing data and general ledger accounting records are maintained and processed by its information technology (“**IT**”) system. The Group relies on a combination of system automated controls and manual controls in its revenue recognition process due to the large volume of data and price changes processed in the billing system. In addition, the application of SFRS(I) 15 *Revenue from Contracts with Customers* requires management’s judgement and estimates when accounting for revenue.

Our IT specialists reviewed the adequacy of the overall general controls of the Group’s IT system. In addition, our IT specialists evaluated the Group’s IT application controls that are relevant to the revenue recognition process, including controls covering input and processing of revenue transactions, amendments to master and standing data, and user access to the application.

We assessed the judgement and estimates used by management in determining and allocating transaction price to the performance obligations. Additionally, we performed test of details on the revenue transactions using automated tools and techniques and/or other substantive audit procedures, where appropriate. We also performed cut-off tests to check whether the Group had complied with proper cut-off procedures and revenue was recognised in the appropriate accounting period.

Lastly, we reviewed the adequacy of disclosures in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Union Gas Holdings Limited

## **Other information**

Management is responsible for the other information. The other information comprises the statement by directors and annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Union Gas Holdings Limited

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.

RSM SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

1 April 2025

Engagement partner – Appointment since year ended 31 December 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>	5	125,546	128,851
Cost of sales		(78,137)	(80,027)
<b>Gross profit</b>		47,409	48,824
Other income and gains	6	2,172	1,548
Marketing and distribution costs		(20,535)	(21,275)
Administrative expenses		(12,359)	(12,323)
Finance costs	8	(1,237)	(1,370)
Other expenses	6	(143)	(355)
<b>Profit before tax</b>	7	15,307	15,049
Income tax expense	10	(2,809)	(2,826)
<b>Profit for the year</b>		12,498	12,223
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in fair value of derivatives		1,236	1,058
Exchange differences on translating foreign operations		(1)	-
<b>Other comprehensive income for the year</b>		1,235	1,058
<b>Total comprehensive income for the year</b>		13,733	13,281
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		12,502	12,223
Non-controlling interests		(4)	-
<b>Profit for the year</b>		12,498	12,223
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		13,737	13,281
Non-controlling interests		(4)	-
<b>Total comprehensive income for the year</b>		13,733	13,281
		<b>2024</b>	<b>2023</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	11	3.93	3.85

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	67,077	67,549	17,412	17,687
Investment property	14	180	180	–	–
Goodwill	15	1,906	1,906	–	–
Intangible assets	16	1,075	781	–	–
Investments in subsidiaries	17	–	–	110,598	110,597
Contract costs, non-current	18	1,118	1,702	–	–
Trade and other receivables, non-current	19	9	3	–	–
Deferred tax assets	10	32	27	–	–
Other non-financial assets, non-current	20	19,810	17,447	–	352
<b>Total non-current assets</b>		<b>91,207</b>	<b>89,595</b>	<b>128,010</b>	<b>128,636</b>
<b>Current assets</b>					
Inventories	21	2,886	2,654	–	–
Contract costs, current	18	894	939	–	–
Trade and other receivables, current	19	26,493	25,859	2,258	2,858
Other non-financial assets, current	20	13,749	11,273	149	71
Derivative financial assets	22	2,294	1,418	–	–
Cash and cash equivalents	23	12,571	13,244	3,129	1,327
<b>Total current assets</b>		<b>58,887</b>	<b>55,387</b>	<b>5,536</b>	<b>4,256</b>
<b>Total assets</b>		<b>150,094</b>	<b>144,982</b>	<b>133,546</b>	<b>132,892</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	24	99,122	99,122	99,122	99,122
Treasury shares	25	(88)	–	(88)	–
Retained earnings		54,365	46,563	18,461	13,712
Other reserves	26	(75,871)	(77,106)	–	–
<b>Equity attributable to owners of the Company</b>		<b>77,528</b>	<b>68,579</b>	<b>117,495</b>	<b>112,834</b>
Non-controlling interests		38	–	–	–
<b>Total equity</b>		<b>77,566</b>	<b>68,579</b>	<b>117,495</b>	<b>112,834</b>
<b>Non-current liabilities</b>					
Provisions	28	1,881	1,884	105	105
Deferred tax liabilities	10	3,305	2,924	98	80
Trade and other payables, non-current	29	84	–	–	2,268
Bank borrowings, non-current	30	9,380	13,154	6,673	7,380
Lease liabilities, non-current	31	16,338	18,843	6,120	5,994
<b>Total non-current liabilities</b>		<b>30,988</b>	<b>36,805</b>	<b>12,996</b>	<b>15,827</b>
<b>Current liabilities</b>					
Income tax payable		2,860	2,934	84	33
Trade and other payables, current	29	30,899	29,389	2,062	3,328
Bank borrowings, current	30	3,772	3,686	705	679
Derivative financial liabilities	22	–	240	–	–
Lease liabilities, current	31	3,546	2,893	204	191
Contract liabilities	32	463	456	–	–
<b>Total current liabilities</b>		<b>41,540</b>	<b>39,598</b>	<b>3,055</b>	<b>4,231</b>
<b>Total liabilities</b>		<b>72,528</b>	<b>76,403</b>	<b>16,051</b>	<b>20,058</b>
<b>Total equity and liabilities</b>		<b>150,094</b>	<b>144,982</b>	<b>133,546</b>	<b>132,892</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2024

Group	Equity attributable to owners of the Company										
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Merger reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Translation reserve \$'000	Total other reserves \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Current year</b>											
At 1 January 2024	99,122	-	46,563	(81,482)	3,318	1,058	-	(77,106)	68,579	-	68,579
Total comprehensive income/(loss) for the year	-	-	12,502	-	-	1,236	(1)	1,235	13,737	(4)	13,733
Purchase of treasury shares (note 25)	-	(88)	-	-	-	-	-	-	(88)	-	(88)
Dividends paid (note 12)	-	-	(4,700)	-	-	-	-	-	(4,700)	-	(4,700)
Incorporation of subsidiary	-	-	-	-	-	-	-	-	-	42	42
At 31 December 2024	99,122	(88)	54,365	(81,482)	3,318	2,294	(1)	(75,871)	77,528	38	77,566
<b>Previous year</b>											
At 1 January 2023	99,122	-	37,200	(81,482)	3,318	-	-	(78,164)	58,158	-	58,158
Total comprehensive income for the year	-	-	12,223	-	-	1,058	-	1,058	13,281	-	13,281
Dividends paid (note 12)	-	-	(2,860)	-	-	-	-	-	(2,860)	-	(2,860)
At 31 December 2023	99,122	-	46,563	(81,482)	3,318	1,058	-	(77,106)	68,579	-	68,579

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2024

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
<b>Current year</b>				
At 1 January 2024	99,122	–	13,712	112,834
Total comprehensive income for the year	–	–	9,449	9,449
Purchase of treasury shares (note 25)	–	(88)	–	(88)
Dividends paid (note 12)	–	–	(4,700)	(4,700)
At 31 December 2024	99,122	(88)	18,461	117,495
<b>Previous year</b>				
At 1 January 2023	99,122	–	9,088	108,210
Total comprehensive income for the year	–	–	7,484	7,484
Dividends paid (note 12)	–	–	(2,860)	(2,860)
At 31 December 2023	99,122	–	13,712	112,834

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2024

	2024 \$'000	2023 \$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	15,307	15,049
Adjustments for:		
Allowance for impairment of trade and other receivables	95	148
Amortisation expenses	313	620
Bad debts written off	48	70
Depreciation of property, plant and equipment	12,185	10,785
Changes in fair value of derivative financial instruments, net	120	(139)
Gain on disposal of property, plant and equipment	(345)	(270)
Gain on remeasurement of right-of-use assets	–	(8)
Intangible assets written off	–	46
Interest income	(156)	(68)
Interest expense	1,237	1,370
Reversal of impairment of intangible assets	(16)	(45)
Reversal of provision for restoration costs	(3)	–
Operating cash flows before changes in working capital	28,785	27,558
Inventories	(232)	(235)
Contract costs	629	268
Trade and other receivables	(1,085)	(2,446)
Other non-financial assets	(4,839)	(5,878)
Trade and other payables	1,594	(240)
Contract liabilities	7	(18)
Net cash flows from operations	24,859	19,009
Income taxes paid	(2,507)	(804)
Net cash flows from operating activities	22,352	18,205
<b><u>Cash flows from investing activities</u></b>		
Acquisition of intangible assets	(591)	(410)
Acquisition of subsidiary, net of cash acquired (note 17C)	–	(33)
Proceeds from disposal of property, plant and equipment	1,264	785
Purchase of property, plant and equipment	(10,992)	(4,181)
Redemption of other financial assets	–	1,000
Interest income received	156	68
Net cash flows used in investing activities	(10,163)	(2,771)
<b><u>Cash flows from financing activities</u></b>		
Dividends paid	(4,700)	(2,860)
Purchase of treasury shares	(88)	–
Proceeds from bank borrowings	5,000	15,252
Repayment of bank borrowings	(8,688)	(22,453)
Repayment of lease liabilities	(3,149)	(2,933)
Interest expenses paid	(1,237)	(1,370)
Net cash flows used in financing activities	(12,862)	(14,364)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(673)	1,070
Cash and cash equivalents at beginning of year	13,244	12,174
<b>Cash and cash equivalents at end of year (note 23)</b>	12,571	13,244

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 1. General information

Union Gas Holdings Limited (Registration No.: 201626970Z) (the “**Company**”) is incorporated in Singapore with limited liability. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The financial statements cover the Company and its subsidiaries (collectively, the “**Group**”). All financial information are presented in Singapore dollar (“**\$**”) and have been rounded to the nearest thousand (\$’000), unless when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are disclosed in note 17 to the financial statements.

The registered office and principal place of business of the Company is located at 89 Defu Lane 10, Union Gas House, Singapore 539220.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and the related Interpretations to SFRS(I) (“**SFRS(I) INT**”) as issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“**ASC**”). They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

### Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material.

### Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the Company and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group’s and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information

### 2A. Material accounting policy information

#### Revenue and income recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of liquefied petroleum gas (“LPG”) and LPG-related accessories and the sale of natural gas (“NG”) and diesel are recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer generally on delivery of the goods.

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is deducted in calculating the carrying amount of the asset and therefore the grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

#### Employee benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity’s legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### Share-based compensation

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (“equity-settled transactions”). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the Company’s shares. This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### **Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest method.

#### **Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation is in the functional currency.

#### **Translation of financial statements of other entities**

Each component in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

#### **Non-controlling interests**

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Income tax**

Tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

Cost also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets over their estimated useful lives of each part of an item of these assets as follows:

Leasehold land	–	Over the lease terms of 4 to 30 years
Leasehold properties	–	Over the lease terms of 2 to 30 years
Plant and equipment	–	3 to 20 years
Motor vehicles	–	3 to 10 years
Construction in-progress	–	Not depreciated until the asset is ready for intended use

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from de-recognition of an item of property, plant and equipment is recognised in profit or loss.

The useful lives of assets and recognised impairment losses are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment.

#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight-line basis over the remaining lease term.

#### Leases of lessor

For a lessor each lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statements of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use as follows:

Non-contractual customer relationships – 5 years

#### Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Contract costs

Contract costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

#### Financial instruments

##### Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised when, and only when, the Group becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statements of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### Financial instruments (cont'd)

##### Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At end of reporting year, the Group had the following categories of financial assets and liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVTPL”), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (“FVTOCI”): A debt asset instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL, that is (a): the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are not reclassified subsequent to their initial recognition, except when, and only when, the reporting entity changes its business model for managing financial assets (expected to be rare and infrequent events). The previously recognised gains, losses, or interest cannot be restated. When these financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Financial liabilities are categorised as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances. For the consolidated statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

#### Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value and classified as FVTPL unless the derivatives are designated and effective as a hedging instrument.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2A. Material accounting policy information (cont'd)

#### Derivatives financial instruments held for risk management purposes and hedge accounting

Certain derivatives held for risk management might be designated as hedging instruments in qualifying hedging relationships. Hedge accounting is used only when the following conditions at the inception of the hedge are satisfied:

- The hedging instrument and the hedged item are clearly identified;
- Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and
- The hedge relationship is expected to be highly effective throughout the life of the hedge based on the principle of an economic relationship. Hedge effectiveness is the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of the hedged item (for example, when the hedged item is a risk component, the relevant change in fair value or cash flows of an item is the one that is attributable to the hedged risk).

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the fair value reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis, both retrospectively and prospectively, to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Revenue recognition

The Group derives its revenue from the sale of LPG and LPG-related accessories, and sale of NG, diesel, electric vehicle charging services and industrial gases. Management exercises judgement in the estimation and allocation of transaction price to performance obligation as the Group has large number of customers with variable selling prices. Changes in the Group's pricing model and the method used in quantifying and allocating of transaction price may affect the amount of revenue recognised by the Group. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions. The accounting policy for revenue recognition and the revenue recognised in the reporting year are disclosed in notes 2A and 5 respectively.

#### Assessment of impairment of trade receivables

Trade receivables are subject to the expected credit loss ("ECL") model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at end of reporting year. The carrying amount of trade receivables is disclosed in note 19.

#### Assessment of useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated, or the carrying amounts written off or written down for technically obsolete or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying values of property, plant and equipment are disclosed in note 13.

#### Assessment of useful lives of intangible assets

The estimates for the useful lives and related amortisation charges for intangible assets are based on commercial and other factors that could change significantly as a result of competitor actions, market conditions, etc. The amortisation charge is increased where useful lives are less than previously estimated. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of intangible assets are disclosed in note 16.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 2. Material accounting policy information and other explanatory information (cont'd)

### 2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### Assessment of impairment of investments in subsidiaries

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. The carrying amount of the Company's investments in subsidiaries at the end of reporting year is disclosed in note 17.

#### Assessment of impairment of other non-financial assets

The carrying amount of other non-financial assets is reviewed at each end of reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The level of the impairment is assessed by taking into account the sales performance and other factors that affect estimated recoverable amount, including subsequent changes in circumstances. Actual outcomes could vary from these estimates. It is impracticable to disclose the extent of the possible effects. The carrying amounts of other non-financial assets are disclosed in note 20.

### 3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the following disclosures: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Mr. Teo Kiang Ang, who is the controlling shareholder of the Company.

### 3A. Members of the Group

Related companies in these financial statements include members of the Company's group of companies.

Related parties in these financial statements refer to the entities controlled by the controlling shareholder and are outside the Group.

### 3B. Related parties transactions

There are transactions and arrangements between the Group and its related parties and the effects of these, on the basis determined between the parties, are reflected in these financial statements. The related party balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, other significant related party transactions include:

	Group	
	2024 \$'000	2023 \$'000
Legal and professional fee	–	(501)
Purchase of diesel pump and facilities	–	(467)
Purchase of electricity	(43)	(179)
Sub-contractor fee	–	(68)

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

### 3. Related party relationships and transactions (cont'd)

#### 3C. Key management compensation

	Group	
	2024 \$'000	2023 \$'000
Salaries and other short-term employee benefits	4,381	3,564
Included in the above amount are the following items:		
Remuneration of directors	1,274	1,271
Fees to directors	774	243

The above amounts are included in employee benefit expenses.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

Further information about the remuneration of individual directors is disclosed in the Report on Corporate Governance in the Annual Report.

#### 3D. Balances with related parties

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At beginning of year	(1,349)	(1,349)	484	484
Purchase of plant and equipment, storage license and reimbursement of other assets	-	467	-	-
Amounts paid out and settlements of liabilities on behalf of related parties	42	-	-	-
Amounts paid in and settlements of liabilities on behalf of the Group	-	(467)	-	-
At end of year	(1,307)	(1,349)	484	484

Presented in statements of financial position as follows:

Other receivables (note 19)	4,587	4,545	486	486
Other payables (note 29)	(5,894)	(5,894)	(2)	(2)
	(1,307)	(1,349)	484	484

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 3. Related party relationships and transactions (cont'd)

### 3E. Balances with subsidiaries

	Company	
	2024 \$'000	2023 \$'000
At beginning of year	(2,732)	(6,789)
Net amounts paid out and settlements of liabilities on behalf of subsidiaries	3,022	4,057
At end of year	290	(2,732)

Presented in statements of financial position as follows:

Other receivables (note 19)	1,319	1,816
Other payables (note 29)	(1,029)	(4,548)
	290	(2,732)

### 3F. Balances with directors

	Group and Company	
	2024 \$'000	2023 \$'000
At beginning of year	-	-
Directors' fees	(774)	(243)
Amounts paid out to directors	767	243
At end of year (note 29)	(7)	-

### 3G. Guarantees

The Company provided guarantees to financial institutions for issuance of performance guarantees in favour of the suppliers of certain subsidiaries in the Group. At end of reporting year, the total value of such performance guarantees issued by financial institutions was \$19,758,000 (2023: \$19,092,000) and no supplier has called on these performance guarantees. No charge is made to the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 4. Financial information by operating segments

### 4A. Information about reportable segment profit or loss, assets and liabilities

Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

For management purposes, the Group is organised into the following three major operating segments:

- LPG: Bottling of LPG, sale and distribution of bottled LPG and LPG-related accessories and provision of LPG-related services to dealers, domestic households, industrial and commercial customers;
- NG: Sale and distribution of liquefied natural gas and piped natural gas to commercial customers and retail sale of compressed natural gas (“CNG”) through a CNG refilling station located at 50 Old Toh Tuck Road;
- Diesel: Sale and distribution of diesel to commercial customers and to vehicles through a diesel refilling station located at 50 Old Toh Tuck Road and bulk sales of diesel; and
- Other operations include provision of corporate services, revenue from electric vehicle charging services and sale of industrial gases.

The segments are determined by the nature or risks and returns associated with each business segment and this defines the management structure as well as the internal reporting system. It also represents the basis on which management reports the primary segment information.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment’s operating results is profit before tax.

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 4. Financial information by operating segments (cont'd)

### 4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

<u>Group</u>	<u>LPG</u> \$'000	<u>NG</u> \$'000	<u>Diesel</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
<u>2024</u>					
Revenue	104,983	4,795	15,629	139	125,546
Segment results:					
Profit/(loss) before tax	15,035	696	714	(1,138)	15,307
Income tax expense	(2,404)	(95)	(90)	(220)	(2,809)
Profit/(loss) for the year	12,631	601	624	(1,358)	12,498
Other segment information:					
Amortisation expenses	(313)	–	–	–	(313)
Depreciation of property, plant and equipment	(10,158)	(232)	(1,758)	(37)	(12,185)
Finance costs	(1,184)	(6)	(46)	(1)	(1,237)
Impairment of trade and other receivables – (allowance)/reversal	(101)	1	5	–	(95)
Reversal of impairment of intangible assets	16	–	–	–	16
Reversal of provision for restoration costs	3	–	–	–	3
Segment assets and liabilities:					
Total assets	132,222	2,453	8,635	6,784	150,094
Total liabilities	65,161	2,227	3,765	1,375	72,528
Additions:					
Property, plant and equipment	3,287	856	6,223	1,925	12,291
Intangible assets	591	–	–	–	591
Contract costs	528	–	–	–	528

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 4. Financial information by operating segments (cont'd)

### 4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

<u>Group</u>	<u>LPG</u> <u>\$'000</u>	<u>NG</u> <u>\$'000</u>	<u>Diesel</u> <u>\$'000</u>	<u>Others</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<u>2023</u>					
Revenue	106,364	6,190	16,297	-	128,851
Segment results:					
Profit/(loss) before income tax	13,762	714	2,019	(1,446)	15,049
Income tax expense	(2,444)	(88)	(255)	(39)	(2,826)
Profit/(loss) for the year	11,318	626	1,764	(1,485)	12,223
Other segment information:					
Amortisation expenses	(620)	-	-	-	(620)
Depreciation of property, plant and equipment	(10,081)	(134)	(570)	-	(10,785)
Finance costs	(1,299)	(18)	(53)	-	(1,370)
Impairment of trade and other receivables – (allowance)/reversal	(153)	1	4	-	(148)
Reversal of impairment of intangible assets	45	-	-	-	45
Segment assets and liabilities:					
Total assets	134,121	4,299	4,091	2,471	144,982
Total liabilities	68,470	2,792	3,947	1,194	76,403
Additions:					
Property, plant and equipment	5,832	159	460	-	6,451
Intangible assets	410	-	-	-	410
Contract costs	816	-	-	-	816

### 4B. Geographical information

	<u>Group</u>			
	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Singapore	125,511	128,851	89,281	89,568
Indonesia	35	-	1,894	-
	125,546	128,851	91,175	89,568

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. Non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any deferred tax assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 4. Financial information by operating segments (cont'd)

### 4C. Information on major customers

There were no external customers that had contributed more than 10% of the Group's revenue.

## 5. Revenue

	Group	
	2024 \$'000	2023 \$'000
Sale of LPG, LPG-related accessories and services	104,983	106,364
Sale of NG	4,795	6,190
Sale of diesel	15,629	16,297
Others	139	-
	125,546	128,851

Please also refer to note 4.

## 6. Other income and gains/(other expenses)

	Group	
	2024 \$'000	2023 \$'000
Allowance for impairment of trade and other receivables	(95)	(148)
Bad debts written off	(48)	(70)
Changes in fair value of derivative financial instruments, net	-	19
Foreign exchange gain/(loss), net	150	(91)
Gain on disposal of property, plant and equipment	345	270
Gain on remeasurement of right-of-use assets	-	8
Government grant income	504	331
Intangible assets written off	-	(46)
Interest income	156	68
Rental income from properties	243	227
Reversal of impairment of intangible assets (note 16)	16	45
Reversal of provision for restoration costs (note 28)	3	-
Others	755	580
	2,029	1,193

Presented in profit or loss as:

Other income and gains	2,172	1,548
Other expenses	(143)	(355)
	2,029	1,193

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 7. Profit before tax

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	Group	
	2024 \$'000	2023 \$'000
Amortisation expenses	313	620
Depreciation of property, plant and equipment	12,185	10,785
Employee benefit expenses (note 9)	21,896	21,722
Fees to directors	774	243
Fees to independent auditor of the Company		
– Audit-related services (“ARS”)	201	195
– Non-ARS	42	38
	21,896	21,722

## 8. Finance costs

	Group	
	2024 \$'000	2023 \$'000
Interest expense on:		
– Bank borrowings	493	546
– Derivative financial instruments	–	8
– Lease liabilities	744	816
	1,237	1,370

## 9. Employee benefit expenses

	Group	
	2024 \$'000	2023 \$'000
Short term employee benefit expenses	20,545	20,366
Contributions to defined contribution plans	1,351	1,356
	21,896	21,722

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 10. Income tax expense

### 10A. Components of tax expense recognised in profit or loss

	Group	
	2024 \$'000	2023 \$'000
<u>Current tax</u>		
Current tax expense	2,860	2,815
Adjustments in respect of prior years	(427)	(93)
	2,433	2,722
<u>Deferred tax</u>		
Deferred tax benefit	(75)	(109)
Adjustments in respect of prior years	451	213
	376	104
	2,809	2,826

The income tax expense in profit or loss varied from the amount determined by applying the Singapore statutory tax rate of 17% (2023: 17%) to profit before tax for the reporting years due to the following differences:

	Group	
	2024 \$'000	2023 \$'000
Profit before tax	15,307	15,049
Income tax at statutory rate	2,602	2,558
Expenses not deductible for tax purposes	348	299
Stepped income exemption	(165)	(151)
Adjustments in respect of prior years	24	120
	2,809	2,826

There are no income tax consequences of dividends to shareholders of the Company.

### 10B. Deferred tax recognised in profit or loss

	Group	
	2024 \$'000	2023 \$'000
Excess of carrying value over tax value of property, plant and equipment, net	376	104
	376	104

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 10. Income tax expense (cont'd)

### 10C. Deferred tax in statements of financial position

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Excess of carrying value over tax value of property, plant and equipment, net	(3,273)	(2,897)	(98)	(80)
Presented in statements of financial position:				
Deferred tax assets	32	27	-	-
Deferred tax liabilities	(3,305)	(2,924)	(98)	(80)
	(3,273)	(2,897)	(98)	(80)

It is impracticable to estimate the amount expected to be settled or used within one year.

## 11. Earnings per share

The numerators and denominators used to calculate basic and diluted earnings per share ("EPS") of no par value are as follows:

	Group	
	2024	2023
<u>Numerators</u>		
Profit attributable to owners of the Company (\$'000)	12,502	12,223
<u>Denominators</u>		
Weighted average number of equity shares for basic and diluted EPS ('000)	317,615	317,767

Basic and diluted EPS are calculated by dividing profit for reporting year attributable to owners of the Company by the weighted average number of ordinary shares. During the reporting years, the weighted average number of ordinary shares is derived from the number of ordinary shares issued by the Company.

At end of reporting year, there were no transactions involving ordinary shares or potential ordinary shares of the Company (2023: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 12. Dividends

<u>Group and Company</u>	Rate per share		2024 \$'000	2023 \$'000
	2024 Cents	2023 Cents		
Final tax exempt (1-tier) dividend in respect of previous year	0.88	0.30	2,794	953
Interim tax exempt (1-tier) dividend in respect of current year	0.60	0.60	1,906	1,907
			<u>4,700</u>	<u>2,860</u>

In respect of current reporting year, the directors proposed a final dividend of 1.00 Singapore cents per ordinary share payable via cash. This dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting and has not been included as a liability in these financial statements. The proposed final dividend is payable in respect of all ordinary shares (excluding treasury shares) in issue at end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences of the dividends to shareholders of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 13. Property, plant and equipment

<u>Group</u>	<u>Leasehold land \$'000</u>	<u>Leasehold properties \$'000</u>	<u>Plant and equipment \$'000</u>	<u>Motor vehicles \$'000</u>	<u>Construction in-progress \$'000</u>	<u>Total \$'000</u>
<u>Cost</u>						
At 1 January 2023	15,049	35,735	48,569	17,007	1,360	117,720
Additions/reclassification	754	1,404	5,094	147	(948)	6,451
Disposals	–	(1,804)	(1,613)	(1,130)	–	(4,547)
Remeasurement	91	–	–	–	–	91
At 31 December 2023	15,894	35,335	52,050	16,024	412	119,715
Additions/reclassification	8,347	112	2,870	1,221	(259)	12,291
Disposals	–	(265)	(1,828)	(506)	–	(2,599)
Remeasurement	350	(9)	–	–	–	341
At 31 December 2024	24,591	35,173	53,092	16,739	153	129,748
<u>Accumulated depreciation</u>						
At 1 January 2023	5,844	7,369	23,080	8,266	–	44,559
Depreciation for the year	892	4,127	4,010	1,756	–	10,785
Disposals	–	(950)	(1,260)	(968)	–	(3,178)
At 31 December 2023	6,736	10,546	25,830	9,054	–	52,166
Depreciation for the year	2,661	3,734	4,049	1,741	–	12,185
Disposals	–	(265)	(1,112)	(303)	–	(1,680)
At 31 December 2024	9,397	14,015	28,767	10,492	–	62,671
<u>Carrying value</u>						
At 1 January 2023	9,205	28,366	25,489	8,741	1,360	73,161
At 31 December 2023	9,158	24,789	26,220	6,970	412	67,549
At 31 December 2024	15,194	21,158	24,325	6,247	153	67,077

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 13. Property, plant and equipment (cont'd)

<u>Company</u>	<u>Leasehold land</u> \$'000	<u>Leasehold properties</u> \$'000	<u>Plant and equipment</u> \$'000	<u>Total</u> \$'000
<u>Cost</u>				
At 1 January 2023	6,629	11,069	1,896	19,594
Additions	–	–	101	101
At 31 December 2023	6,629	11,069	1,997	19,695
Additions	–	–	379	379
Disposals	–	–	(151)	(151)
Remeasurement	322	–	–	322
At 31 December 2024	6,951	11,069	2,225	20,245
<u>Accumulated depreciation</u>				
At 1 January 2023	306	552	326	1,184
Depreciation for the year	221	368	235	824
At 31 December 2023	527	920	561	2,008
Depreciation for the year	226	368	241	835
Disposals	–	–	(10)	(10)
At 31 December 2024	753	1,288	792	2,833
<u>Carrying value</u>				
At 1 January 2023	6,323	10,517	1,570	18,410
At 31 December 2023	6,102	10,149	1,436	17,687
At 31 December 2024	6,198	9,781	1,433	17,412

Certain motor vehicles are acquired by means of leases (see note 31).

The carrying value of property, plant and equipment that are pledged to financial institutions for banking facilities granted to the Group (see notes 30 and 31) are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u> \$'000	<u>2023</u> \$'000	<u>2024</u> \$'000	<u>2023</u> \$'000
Leasehold land	6,198	6,102	6,198	6,102
Leasehold properties	9,781	10,149	9,781	10,149
Motor vehicles	849	1,476	–	–
	16,828	17,727	15,979	16,251

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 13. Property, plant and equipment (cont'd)

### 13A. Right-of-use assets

The Group leases land, warehouses and office and plant and equipment for business operations under non-cancellable lease arrangements. These right-of-use assets are recognised and presented together with property, plant and equipment of the same class (note 13).

The carrying values of such leased assets are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Leasehold land	13,852	9,158	6,198	6,102
Leasehold properties	10,699	13,699	-	-
Plant and equipment	12	15	-	-
	<u>24,563</u>	<u>22,872</u>	<u>6,198</u>	<u>6,102</u>

Depreciation of right-of-use assets for the year relating to leasehold land, leasehold properties and plant and equipment were \$2,658,000, \$3,104,000 and \$3,000 (2023: \$892,000, \$3,191,000 and \$1,000) respectively.

The related lease liabilities are disclosed in note 31.

During the previous reporting year, the Group made an upfront payment to secure the right-of-use of a parcel land for 15 years, which was used in the Group's CNG and diesel segment. As at the end of the previous reporting year, the Jurong Town Corporation ("JTC") granted a lease extension for the aforesaid land for a period of four years, from 1 January 2024. The Group also makes annual lease payments to JTC for three parcels of leasehold land, which are used as the Group's offices and bottling plants.

During the reporting year, the Group renegotiated and modified certain existing lease contracts for leasehold land and leasehold properties, which the Group accounted for as lease modification with changes to right-of-use assets. The corresponding remeasurement to lease liabilities are recorded in note 31.

## 14. Investment property

	Group	
	2024 \$'000	2023 \$'000
<u>At valuation</u>		
At beginning and end of year	<u>180</u>	<u>180</u>
Rental income from investment property	31	26
Direct operating expenses (including repairs and maintenance)	<u>4</u>	<u>5</u>

The fair value of investment property was measured by management. In arriving at the fair value, management made reference to publicly available market data and a valuation in December 2022 prepared by an independent professional valuation firm which has the appropriate and recognised professional qualifications and relevant experience. The valuation firm is a member of the Singapore Institute of Surveyors and Valuers ("SISV") and the valuation has been prepared in accordance with SISV Standards. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 14. Investment property (cont'd)

A description of the valuation technique and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Leasehold industrial unit
Location:	13 Lorong 8 Toa Payoh, #03-03 Braddell Tech, Singapore 319261
Tenure:	30 years from 1 January 1998
Fair value hierarchy:	Level 3 (2023: Level 3)
Valuation technique for recurring fair value measurements:	Direct market comparison method
Significant observable inputs and range (weighted average):	Price per square metre: \$1,000 (2023: \$1,000)
Sensitivity on management's estimates – 10% variation from estimate:	Impact lower by \$18,000 (2023: \$18,000); higher by \$18,000 (2023: \$18,000)

## 15. Goodwill

	Group	
	2024 \$'000	2023 \$'000
At beginning of year	1,906	1,873
Arising from acquisition of subsidiary (note 17C)	–	33
At end of year	1,906	1,906

The goodwill arose from the acquisition of a LPG bottling and distribution business in 2017 from a third party by a subsidiary which was acquired by the Company on 30 December 2021, and from the acquisition of a subsidiary in 2023 from a third party (note 17C).

The goodwill was tested for impairment at end of reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit (“CGU”) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of CGUs have been measured based on the fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

For purpose of impairment testing, goodwill has been allocated to the LPG segment.

The value in use was measured by management. The key assumptions for the value in use calculation are as follows. The value in use is a recurring fair value measurement (Level 3).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 15. Goodwill (cont'd)

The quantitative information about the value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed and is analysed as follows:

	2024	2023
Valuation technique:	Discounted cash flow method	
Unobservable inputs:		
– Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	8.9%	8.9%
– Earnings before interest, tax, depreciation and amortisation margin	11%	4%
– Cash flow forecasts derived from the most recent financial budgets and plans approved by management	2 years	3 years

No impairment allowance was recognised because the carrying amount of all CGUs was lower than their estimated recoverable amount.

## 16. Intangible assets

<u>Group</u>	<b>Non-contractual customer relationships \$'000</b>
<u>Cost</u>	
At 1 January 2023	4,934
Additions	410
Written off	(54)
At 31 December 2023	5,290
Additions	591
Written off	(3,548)
At 31 December 2024	2,333
<u>Accumulated amortisation and impairment</u>	
At 1 January 2023	3,942
Amortisation for the year	620
Reversal of impairment during the year	(45)
Written off	(8)
At 31 December 2023	4,509
Amortisation for the year	313
Reversal of impairment during the year	(16)
Written off	(3,548)
At 31 December 2024	1,258
<u>Carrying value</u>	
At 1 January 2023	992
At 31 December 2023	781
At 31 December 2024	1,075

Non-contractual customer relationships are those customer relationships that the Group acquired in connection with its LPG-related businesses that meet the separability criterion for recognition purposes.

Amortisation of intangible assets is charged to cost of sales.

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. Investments in subsidiaries

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	110,598	110,597
At beginning of year	110,597	110,564
Acquisition from third party (note 17C)	–	33
Incorporation of subsidiary (note 17D)	1	–
At end of year	110,598	110,597

## 17A. Details of subsidiaries of the Group

Name	Country of incorporation	Principal activities	Cost		Effective equity held	
			2024 \$'000	2023 \$'000	2024 %	2023 %
<i>Held by the Company</i>						
Union Energy Pte. Ltd.	Singapore	Sale of LPG and related products to domestic households	3,100	3,100	100	100
Union Gas Pte. Ltd.	Singapore	Sale of NG and diesel in retail and wholesale markets	9,700	9,700	100	100
Union LPG Pte. Ltd. (“ <b>Union LPG</b> ”) (note 17B)	Singapore	Sale of LPG in retail and wholesale markets	11,700	11,700	100	100
U-Global Pte. Ltd. (“ <b>U-Global</b> ”)	Singapore	Investment holding	1	1	100	100
Sembas (Asia) Trading Pte. Ltd.	Singapore	Sale of LPG in retail and wholesale markets	31,283	31,283	100	100
Summit Gas Systems Pte. Ltd.	Singapore	LPG bottler and sale of LPG in retail and wholesale markets	27,288	27,288	100	100
Semgas Supply Pte. Ltd.	Singapore	LPG bottler and sale of LPG in retail and wholesale markets	25,233	25,233	100	100

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 17. Investments in subsidiaries (cont'd)

### 17A. Details of subsidiaries of the Group (cont'd)

Name	Country of incorporation	Principal activities	Cost		Effective equity held	
			2024 \$'000	2023 \$'000	2024 %	2023 %
Nguan Huat L P Gas Supplier Pte. Ltd.	Singapore	Retail sale of LPG and related wholesale markets and storage of LPG products	2,259	2,259	100	100
You Cai Engineering Pte. Ltd. (" <b>You Cai Engineering</b> ") (note 17C)	Singapore	General contractors and building construction works	33	33	100	100
KK Gas Services Pte. Ltd. (" <b>KK Gas Services</b> ") (note 17D)	Singapore	Sale of LPG in retail and wholesale markets	1	–	100	–
			110,598	110,597		

Name	Country of incorporation	Principal activities	Effective equity held	
			2024 %	2023 %

#### *Held through U-Global*

U Cambodia Pte. Ltd. (" <b>U Cambodia</b> ")	Singapore	Investment holding	100	100
PT Global Industrial Gases (note 17D)	Indonesia	Sale of basic inorganic chemicals of industrial gas which includes basic chemicals industry business producing industrial gases	95	–

The financial statements of the subsidiaries are audited by RSM SG Assurance LLP, a member firm of RSM International, except for PT Global Industrial Gas.

U Cambodia was deregistered subsequent to reporting year end.

### 17B. Amalgamation of wholly-owned subsidiaries

On 1 January 2023, the amalgamation of two subsidiaries in the Group, namely, U-Gas Pte. Ltd. and Union LPG, was completed, with Union LPG continuing as the surviving entity. The amalgamation was aimed at streamlining organisational structure and enhancing management control and efficiency.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 17. Investments in subsidiaries (cont'd)

### 17C. Acquisition of subsidiary from third party

On 31 March 2023, the Company acquired 100% of the issued and paid-up share capital of You Cai Engineering, a company incorporated in Singapore, for a cash consideration of \$33,000. The Group acquired You Cai Engineering to support the installation and maintenance of LPG infrastructure such as manifold systems, stoves, pipes etc., in the provision of the Group's LPG-related services. The transaction was accounted for using acquisition method of accounting. The fair value of identifiable assets acquired and liabilities assumed were not material.

### 17D. Incorporation of subsidiaries

On 19 April 2024, the Company incorporated a wholly-owned subsidiary, KK Gas Services, in Singapore with an issued and paid up share capital of \$1,000.

On 13 September 2024, the Group incorporated a partially-owned subsidiary, PT Global Industrial Gases, in Batam, Indonesia held through U-Global by holding 95% of the equity interests of the total issued and paid up share capital of IDR10,000,000,000.

## 18. Contract costs

	Group	
	2024 \$'000	2023 \$'000
Current	894	939
Non-current	1,118	1,702
	2,012	2,641

Movements in contract costs are as follows:

At beginning of year	2,641	2,909
Additions	528	816
Amortisation for the year	(1,157)	(1,084)
At end of year	2,012	2,641

Contract costs relate to non-refundable payments made to the Group's customers as cost of obtaining the supply of LPG contracts. These costs are incremental and expected to be recovered over the contracted period. Contract costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Amortisation expenses are charged as follows:

	Group	
	2024 \$'000	2023 \$'000
Reduction of revenue	789	735
Marketing and distributions costs	368	349
	1,157	1,084

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 19. Trade and other receivables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Trade receivables</u>				
External parties	18,348	18,871	-	-
Less: Allowance for impairment	(110)	(135)	-	-
	18,238	18,736	-	-
Related parties	30	30	-	-
Less: Allowance for impairment	(4)	(4)	-	-
	26	26	-	-
	18,264	18,762	-	-
<u>Other receivables</u>				
External parties	2,881	853	69	41
Less: Allowance for impairment	(405)	(318)	-	-
	2,476	535	69	41
Refundable deposits	1,175	2,020	384	115
Subsidiaries (note 3)	-	-	1,319	1,816
Related parties (note 3)	4,587	4,545	486	486
Dividends receivable from subsidiary	-	-	-	400
	8,238	7,100	2,258	2,858
	26,502	25,862	2,258	2,858

Presented in statements of financial position as follows:

Current	26,493	25,859	2,258	2,858
Non-current	9	3	-	-
	26,502	25,862	2,258	2,858

Movements in allowance for impairment:

	Group	
	2024 \$'000	2023 \$'000
<u>Trade receivables from external parties</u>		
At beginning of year	135	140
Reversal to profit or loss and included in other income and gains	(2)	(4)
Bad debts written off	(23)	(1)
At end of year	110	135
<u>Trade receivables from related parties</u>		
At beginning and end of year	4	4
<u>Other receivables from outside parties</u>		
At beginning of year	318	166
Charged to profit or loss and included in other expenses	97	152
Bad debts written off	(10)	-
At end of year	405	318

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 19. Trade and other receivables (cont'd)

### Trade receivables

The ECL on the above trade receivables is measured using the simplified approach which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of the asset. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period ranging from 9 to 24 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the current economic conditions (e.g. increasing interest rates, fluctuations in commodity prices and foreign currency rates). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimate are analysed.

The ageing of trade receivables is as follows:

Group	Gross amount		ECL rate		Loss allowance	
	2024 \$'000	2023 \$'000	2024 %	2023 %	2024 \$'000	2023 \$'000
Current	9,783	10,906	-	-	-	-
1 to 30 days past due	2,861	3,856	-	-	-	-
31 to 60 days past due	1,724	1,352	-	-	-	-
Over 60 days past due	3,896	2,650	0.01	0.08	*	2
	<u>18,264</u>	<u>18,764</u>			<u>*</u>	<u>2</u>

\* Denotes less than \$1,000

Concentration of trade receivable customers at end of the reporting year:

	Group	
	2024 \$'000	2023 \$'000
Top 1 customer	7,049	7,963
Top 2 customers	8,001	9,099
Top 3 customers	<u>8,522</u>	<u>9,768</u>

As at 31 December 2024, management has identified certain customers to be credit impaired as they experienced significant financial difficulties. Hence, management has assessed the recoverability of the outstanding balances separately from the provision matrix above.

	Group	
	2024 \$'000	2023 \$'000
Gross carrying amount	114	137
Less: Allowance for impairment	(114)	(137)
	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 19. Trade and other receivables (cont'd)

### Other receivables

Other receivables shown above are also subject to the ECL model under the financial reporting standard on financial instruments. Other receivables can be graded for credit risk individually. Other receivables that can be graded as low risk individually are considered to have low credit risk. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

At the end of the reporting year, a loss allowance is recognised at an amount equal to 12-month ECL because there has not been a significant increase in credit risk since initial recognition including the impact of current economic conditions (e.g. increasing interest rates, fluctuations in commodity prices and foreign currency rates). At end of reporting year, a loss allowance of \$405,000 (2023: \$318,000) is recognised.

Other receivables due from subsidiaries and related parties are regarded to be of low credit risk if they have the ability to settle the amount. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity.

## 20. Other non-financial assets

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Non-current</u>				
Prepaid advance rebates	16,758	14,861	–	–
Other prepayments	188	139	–	–
Deferred customer retention costs	2,551	2,095	–	–
Advance payments	313	–	–	–
Deposits for purchase of property, plant and equipment	–	352	–	352
	19,810	17,447	–	352
<u>Current</u>				
Prepaid advance rebates	9,443	7,790	–	–
Other prepayments	2,302	1,805	149	71
Deferred customer retention costs	1,700	1,562	–	–
Advance payments	164	–	–	–
Deposits to secure services	107	116	–	–
Deferred expenses	33	–	–	–
	13,749	11,273	149	71
	33,559	28,720	149	423

Prepaid advance rebates relate to rebates paid to customers in advance. These rebates are amortised based on usage of LPG and offset against revenue.

Deferred customer retention costs relate to payments made to the Group's customers to facilitate their business costs. These costs are amortised based on contract period and offset against revenue. Under the contracts, the customers are obligated to purchase LPG from the Group over the contracted period.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 20. Other non-financial assets (cont'd)

The Group can claim a refund of the payments made to the customers for advance rebates and customer retention costs if the terms of the contracts are breached. For early termination of contracts, the outstanding amount is transferred from other non-financial assets to other receivables due from external parties.

## 21. Inventories

	Group	
	2024 \$'000	2023 \$'000
LPG	1,542	1,396
LPG-related accessories	1,293	1,199
Diesel	49	59
Industrial gases	2	-
	2,886	2,654
Increase in inventories of goods for resale	(232)	(235)
Amount of inventories included in cost of goods sold	61,323	62,528

There are no inventories pledged as security for liabilities.

## 22. Derivative financial assets/(liabilities)

	Group	
	2024 \$'000	2023 \$'000
<u>Assets – Contracts with positive fair values</u>		
Commodities future contracts – cash flow hedges	2,112	1,298
Commodities future contracts – fair value hedges	-	120
Foreign currency forward contracts – cash flow hedges	182	-
	2,294	1,418
<u>Liabilities – Contracts with negative fair values</u>		
Foreign currency forward contracts – cash flow hedges	-	(240)
Total derivatives designated as hedging instruments to fair value reserve (note 26C)	2,294	1,058

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 22. Derivative financial assets/(liabilities) (cont'd)

<u>Group</u>	Notional amount		Fair value gain/(loss)	
	2024 US\$'000	2023 US\$'000	2024 \$'000	2023 \$'000
Commodities future contracts (Level 1)	22,183	17,014	2,112	1,418
Foreign currency forward contracts (Level 2)	3,000	11,500	182	(240)

All the derivatives contracts have maturity periods of less than 12 months.

Derivative contracts are utilised to hedge material future transactions and cash flows. The Group enters into commodity future contracts to manage its price risk on the purchases of fuel due to fluctuation in commodity prices. The Group also enters into foreign currency forward contracts in the management of its exchange rate exposures as it purchases fuel in USD and sells them in SGD. The derivative contracts are entered into based on forecasted purchase. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

For purposes of estimating the fair values of the derivative contracts, wherever possible, the Group utilises quoted market price (Level 1) and, if not available, valuation techniques with market observable inputs (Level 2). The models incorporate various inputs including broker quotes for similar transactions, foreign exchange spot and forward rates.

The foreign currency forward contracts are not traded in active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in settling the price (Level 2).

## 23. Cash and cash equivalents

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Not restricted in use	12,571	13,244	3,129	1,327

Included in cash not restricted in use is an amount of \$1,178,000 (2023: \$1,466,000) maintained with an established financial institution in Singapore for settlement of derivative contracts disclosed in note 22.

## 23A. Significant non-cash transactions

During the current reporting year, the Group acquired property, plant and equipment and right-of-use assets with total cost of \$684,000 (2023: \$105,000) and \$260,000 (2023: \$1,565,000) respectively by means of leases.

During the previous reporting year, included in additions to property, plant and equipment is an amount of \$600,000 related to restoration costs capitalised (note 28).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 23. Cash and cash equivalents (cont'd)

### 23B. Reconciliation of liabilities arising from financing activities

<u>Group</u>	<b>Borrowings \$'000</b>	<b>Lease liabilities \$'000</b>
At 1 January 2023	24,041	23,770
Cash flows	(7,201)	(2,933)
Non-cash changes (note 31)	–	899
At 31 December 2023	16,840	21,736
Cash flows	(3,688)	(3,149)
Non-cash changes (note 31)	–	1,297
At 31 December 2024	13,152	19,884

## 24. Share capital

<u>Group and Company</u>	<b>No. of shares issued '000</b>	<b>Share capital \$'000</b>
At 1 January 2023, 31 December 2023 and 31 December 2024	317,767	99,122
<u>Group and Company</u>	<b>No. of shares</b>	
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
Total number of issued shares, including treasury shares	317,767	317,767
Treasury shares	(222)	–
Total number of issued shares, excluding treasury shares	317,545	317,767

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Except as disclosed above, there were no outstanding convertibles or subsidiary holdings held by the Company as at 31 December 2024 and 2023.

### Capital management

In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 24. Share capital (cont'd)

### Capital management (cont'd)

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

Management monitors capital on the basis of debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total bank borrowings (exclude lease liabilities) less cash and cash equivalents.

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Net debt</u>				
Total bank borrowings	13,702	16,958	7,378	8,059
Less: Cash and cash equivalents	(12,571)	(13,244)	(3,129)	(1,327)
Net debt	1,131	3,714	4,249	6,732
<u>Adjusted capital</u>				
Total equity	77,566	68,579	117,495	112,834
Debt-to-adjusted capital ratio	0.01	0.05	0.04	0.06

## 25. Treasury shares

<u>Group and Company</u>	<u>No. of shares '000</u>	<u>Treasury shares \$'000</u>
At 1 January 2023 and 31 December 2023	-	-
Repurchased during the year	222	88
At 31 December 2024	222	88

During the reporting year ended 31 December 2024, the Company acquired 222,000 of its own shares by way of on-market purchases.

As at 31 December 2024, the number of treasury shares held by the Company represented 0.07% (31 December 2023: Nil) of the total number of issued shares (excluding treasury shares).

No treasury shares were sold, transferred, disposed, cancelled and/or used during the reporting year ended 31 December 2024 (31 December 2023: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 26. Other reserves

	Group	
	2024 \$'000	2023 \$'000
Merger reserve (note 26A)	(81,482)	(81,482)
Capital reserve (note 26B)	3,318	3,318
Fair value reserve (note 26C)	2,294	1,058
Translation reserve (note 26D)	(1)	-
	<u>(75,871)</u>	<u>(77,106)</u>

### 26A. Merger reserve

	Group	
	2024 \$'000	2023 \$'000
At beginning and end of year	<u>(81,482)</u>	<u>(81,482)</u>

The reserve represents the difference between the consideration paid and the share capital of subsidiaries acquired under common control at the date of acquisition.

### 26B. Capital reserve

	Group	
	2024 \$'000	2023 \$'000
At beginning and end of year	<u>3,318</u>	<u>3,318</u>

This represents assets or resources transferred to the Group by a shareholder for no consideration.

### 26C. Fair value reserve

	Group	
	2024 \$'000	2023 \$'000
At beginning of year	1,058	-
Changes in fair value of derivatives	1,236	1,058
At end of year	<u>2,294</u>	<u>1,058</u>

The fair value reserve accumulates after tax gains and losses on cash flow hedges.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 26. Other reserves (cont'd)

### 26D. Translation reserve

	Group	
	2024 \$'000	2023 \$'000
At beginning of year	-	-
Exchange differences on translating foreign operation	(1)	-
At end of year	(1)	-

The translation reserve accumulates all foreign exchange differences.

## 27. Share plan (equity-settled)

The Union Gas Performance Share Plan (the "Union Gas PSP") of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 19 June 2017.

Awards will be released to participants as fully paid shares upon expiry of the prescribed vesting periods or retention periods and subject to conditions prescribed in the Union Gas PSP. The actual number of shares awarded will depend on the achievement of set targets over a year. This will be determined by the Remuneration Committee at the end of the qualifying performance period and released to the recipient over a three-year vesting period.

Employees and non-executive directors of the Group and/or associated companies shall be eligible to participate in the Union Gas PSP subject to the absolute discretion of the Remuneration Committee.

The measurement of fair values at grant date of the share plan was based on share price at grant date. There was no material difference in the weighted average exercise price during the reporting year.

The Union Gas PSP allows for participation by confirmed full time employees, Executive Directors and Non-Executive Directors (including Independent Directors) of the Group and its associated companies who have attained the age of 21 years on or before the relevant date of grant of the Award. The aggregate number of shares, which may be issued or transferred to the controlling shareholders and their respective associates under the Union Gas PSP, shall not exceed 25% of the total number of shares available under the Union Gas PSP, with the number of shares which may be delivered to each controlling shareholder and their respective associates not exceeding 10% of the total number of shares available under the Union Gas PSP.

The total number of shares over which may be issued or transferred pursuant to the vesting of awards, when added to the number of shares issued and issuable in respect of all awards granted under the Union Gas PSP (including shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company) shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time.

## 28. Provisions

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At beginning of year	1,884	1,284	105	105
Additions	-	600	-	-
Reversal (note 6)	(3)	-	-	-
At end of year	1,881	1,884	105	105

The provisions are recognised for expected dismantling and removal costs upon expiry of the lease. The estimation is based on quotations received from external contractors.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 29. Trade and other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Trade payables</u>				
External parties and accrued liabilities	15,522	14,452	-	-
Related parties	1,603	1,605	-	-
	17,125	16,057	-	-
<u>Other payables</u>				
External parties	1,648	1,545	1,017	1,039
Subsidiaries (note 3)	-	-	1,029	4,548
Related parties (note 3)	5,894	5,894	2	2
Directors (note 3)	7	-	7	-
Deposits for LPG cylinders	6,245	5,806	-	-
Other deposits from customers	64	87	7	7
	13,858	13,332	2,062	5,596
	30,983	29,389	2,062	5,596

Presented in statements of financial position as follows:

Current	30,899	29,389	2,062	3,328
Non-current	84	-	-	2,268
	30,983	29,389	2,062	5,596

The Company's other payables included an amount of \$623,000 (2023: \$4,068,000) due to a subsidiary, which is repayable at a monthly instalment of \$200,000, commencing from 1 July 2022.

## 30. Bank borrowings

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Current</u>				
Bank loan (secured)	292	274	292	274
Bank loans (unsecured)	3,480	3,412	413	405
	3,772	3,686	705	679
<u>Non-current</u>				
Bank loan (secured)	6,568	6,862	6,568	6,863
Bank loans (unsecured)	2,812	6,292	105	517
	9,380	13,154	6,673	7,380
	13,152	16,840	7,378	8,059

Secured bank loan bears floating interest rates that range between 4.20% to 4.41% per annum (2023: range between 4.37% to 4.39% per annum). The loan is secured by the first legal mortgage over the leasehold property (note 13).

The remaining unsecured bank loans bear fixed interest rates that range between 1.75% to 2.00% (2023: 1.75% to 2.00%) per annum. The loans are covered by corporate guarantee from the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 30. Bank borrowings (cont'd)

All bank loans are repayable by monthly instalments over 60 to 216 months (2023: 60 to 216 months) from the date of first drawdown.

## 31. Lease liabilities

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current	3,546	2,893	204	191
Non-current	16,338	18,843	6,120	5,994
	<u>19,884</u>	<u>21,736</u>	<u>6,324</u>	<u>6,185</u>

Movements of lease liabilities are as follows:

At beginning of year	21,736	23,770	6,185	6,374
Additions	944	1,670	-	-
Remeasurement	353	(771)	322	-
Accretion of interest	744	816	85	74
Repayments of principal	(3,149)	(2,933)	(183)	(189)
Interest paid	(744)	(816)	(85)	(74)
At end of year	<u>19,884</u>	<u>21,736</u>	<u>6,324</u>	<u>6,185</u>

A summary of the maturity analysis of lease liabilities at end of reporting year is as follows:

<u>Group</u>	<u>Minimum payments</u> <u>\$'000</u>	<u>Finance charges</u> <u>\$'000</u>	<u>Present value</u> <u>\$'000</u>
<u>2024</u>			
Due within 1 year	4,156	(610)	3,546
Due within 2 to 5 years	11,529	(993)	10,536
Due more than 5 years	6,514	(712)	5,802
	<u>22,199</u>	<u>(2,315)</u>	<u>19,884</u>
Carrying value of property, plant and equipment under leases			<u>19,831</u>
<u>2023</u>			
Due within 1 year	3,607	(714)	2,893
Due within 2 to 5 years	14,406	(1,479)	12,927
Due more than 5 years	6,664	(748)	5,916
	<u>24,677</u>	<u>(2,941)</u>	<u>21,736</u>
Carrying value of property, plant and equipment under leases			<u>23,760</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 31. Lease liabilities (cont'd)

<u>Company</u>	<b>Minimum payments \$'000</b>	<b>Finance charges \$'000</b>	<b>Present value \$'000</b>
<u>2024</u>			
Due within 1 year	277	(73)	204
Due within 2 to 5 years	1,108	(269)	839
Due more than 5 years	5,979	(698)	5,281
	<u>7,364</u>	<u>(1,040)</u>	<u>6,324</u>
Carrying value of property, plant and equipment under leases			<u>6,198</u>
<u>2023</u>			
Due within 1 year	263	(72)	191
Due within 2 to 5 years	1,050	(264)	786
Due more than 5 years	5,929	(721)	5,208
	<u>7,242</u>	<u>(1,057)</u>	<u>6,185</u>
Carrying value of property, plant and equipment under leases			<u>6,102</u>

Total cash outflow for leases are shown in the consolidated statement of cash flows.

At the end of the reporting year, the Group's and the Company's obligations under leases that are related to right-of-use assets are \$19,334,000 (2023: \$21,618,000) and \$6,324,000 (2023: \$6,185,000) respectively. These leased assets are presented under note 13A.

## 32. Contract liabilities

	<b>Group</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
At beginning of year	456	474
Consideration received	11,814	12,801
Performance obligation satisfied	(11,807)	(12,819)
At end of year	<u>463</u>	<u>456</u>

All contract liabilities are expected to be recognised within 1 year.

The contract liabilities primarily relate to advance consideration received from customers for which no transfer of control occurs, and therefore no revenue is recognised. The Group recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

### 33. Operating lease income commitments – as lessor

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first 3 years is as follows:

	Group	
	2024 \$'000	2023 \$'000
Not later than one year	265	103
Between 1 and 2 years	195	31
Between 2 and 3 years	88	5
	548	139
Rental income for the year	243	227

In the previous reporting year, included in operating rental income was an amount of \$6,000 related to lease of premises on a month-to-month basis or with no commitment terms.

The lease rental income terms are negotiated for terms ranging from two to three years and rentals are subject to an escalation clause, but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

### 34. Capital commitments

Estimated amounts committed at end of reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2024 \$'000	2023 \$'000
Commitments for purchase of property, plant and equipment	1,553	7,406

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 35. Financial instruments: information on financial risks and other explanatory information

### 35A. Categories of financial assets and financial liabilities

The following table categorises the carrying amounts of financial assets and financial liabilities recorded at end of reporting year:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets:				
– At amortised cost	39,073	39,106	5,387	4,185
– At fair value through profit or loss	–	120	–	–
– At fair value through other comprehensive income	2,294	1,298	–	–
	<u>41,367</u>	<u>40,524</u>	<u>5,387</u>	<u>4,185</u>
Financial liabilities:				
– At amortised cost	64,019	67,965	15,764	19,840
– At fair value through other comprehensive income	–	240	–	–
	<u>64,019</u>	<u>68,205</u>	<u>15,764</u>	<u>19,840</u>

Further quantitative disclosures are included throughout these financial statements.

### 35B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The following guidelines are followed:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risks, the objectives, policies and processes for managing the risks and the methods used to measure the risks.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 35. Financial instruments: information on financial risks and other explanatory information (cont'd)

### 35B. Financial risk management (cont'd)

With regard to derivatives, the policies include the following:

- Management documents carefully all derivatives including the relationship between them and the hedged items at inception and throughout their life.
- Ineffectiveness is recognised in profit or loss as soon as it arises.
- Effectiveness is assessed at inception of the hedge and at each end of reporting year ensuring the criteria in financial reporting standard on financial instruments are met.
- Only financial institutions with acceptable credit ratings are used as counterparties for derivatives.

### 35C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statements of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 35D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure ECL allowance on financial assets the ECL allowance. On initial recognition, a day-one loss is recorded equal to the 12-month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 23 discloses the cash balances. There was no identified impairment loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 35. Financial instruments: information on financial risks and other explanatory information (cont'd)

### 35E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

Derivative financial liabilities will be settled at their contractual maturities within 12 months after the end of reporting year. See note 22 for details.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) at end of reporting year:

<u>Group</u>	<b>Less than 1 year \$'000</b>	<b>2 – 5 years \$'000</b>	<b>More than 5 years \$'000</b>	<b>Total \$'000</b>
<u>2024</u>				
Trade and other payables	30,899	84	–	30,983
Borrowings	4,148	5,139	6,662	15,949
Lease liabilities	4,156	11,529	6,514	22,199
	<u>39,203</u>	<u>16,752</u>	<u>13,176</u>	<u>69,131</u>
<u>2023</u>				
Trade and other payables	29,389	–	–	29,389
Borrowings	4,156	8,884	7,991	21,031
Lease liabilities	3,607	14,406	6,664	24,677
	<u>37,152</u>	<u>23,290</u>	<u>14,655</u>	<u>75,097</u>
<u>Company</u>				
<u>2024</u>				
Trade and other payables	2,062	–	–	2,062
Borrowings	993	2,404	6,661	10,058
Lease liabilities	277	1,108	5,979	7,364
	<u>3,332</u>	<u>3,512</u>	<u>12,640</u>	<u>19,484</u>
<u>2023</u>				
Trade and other payables	3,328	2,268	–	5,596
Borrowings	1,001	2,995	7,991	11,987
Lease liabilities	263	1,050	5,929	7,242
	<u>4,592</u>	<u>6,313</u>	<u>13,920</u>	<u>24,825</u>

The above amounts disclosed in the maturity analysis are the contractual and undiscounted cash flows and such undiscounted cash flows differ from the amounts included in the statements of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The average credit period taken to settle trade payables is approximately 30 to 90 days (2023: 30 to 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 35. Financial instruments: information on financial risks and other explanatory information (cont'd)

### 35E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

<u>Company</u>	<b>Less than 1 year \$'000</b>	<b>2 – 5 years \$'000</b>	<b>Total \$'000</b>
<u>2024</u>			
Financial guarantee contracts – bank guarantee in favour of subsidiaries	19,540	218	19,758
<u>2023</u>			
Financial guarantee contracts – bank guarantee in favour of subsidiaries	18,359	733	19,092

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period (being on demand) in which the guarantee could be called. At end of the reporting year, no claims on the financial guarantees are expected to be payable.

### 35F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest from financial assets including cash balances is not material.

The following table analyses the breakdown of the significant financial instruments by type of interest rates:

	<b>Group</b>		<b>Company</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<u>Financial liabilities</u>				
Fixed rates	26,176	31,440	6,842	7,108
Floating rates	6,860	7,136	6,860	7,136

The floating rate debt asset instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

<u>Sensitivity analysis</u>	<b>Group</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year by:	69	71

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 35. Financial instruments: information on financial risks and other explanatory information (cont'd)

### 35G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

There is exposure to foreign currency risk as part of the Group's normal business. The Group has a foreign currency exposure as it purchases LPG and NG in USD and sells them in SGD. At end of the reporting year, the Group's trade payables denominated in USD was \$3,375,000 (2023: \$3,215,000).

The Group enters into foreign currency forward contracts in the management of its foreign currency exchange rate exposures. Note 22 discloses the foreign currency hedging activities in place at end of the reporting year.

A hypothetical 10% strengthening in exchange rate of functional currency SGD against USD would have a favourable effect on the Group's profit before tax of \$338,000 (2023: \$322,000).

The above shows sensitivity to a hypothetical percentage variation in functional currency against USD. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried without taking into consideration hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

### 35H. Commodity price risk

The Group is exposed to price risk on the purchases of fuel that affect cost. It hedges against fluctuations in purchase prices of fuel using commodity future contracts where the price is indexed to a benchmark price index. See note 22 for further details pertaining to the notional amounts and fair value of the commodities future contracts.

## 36. Changes and adoption of financial reporting standards

For current reporting year, the ASC issued certain new or revised financial reporting standards. Those applicable to the Group are listed below.

SFRS(I) No.	Title
SFRS(I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current
SFRS(I) 1-1	Presentation of Financial Statements – amendment relating to Non-current Liabilities with Covenants
SFRS(I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements

None had a material impact on the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 37. New or amended standards in issue but not yet effective

For future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025
SFRS(I) 9 and 7	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
SFRS(I) 18	Presentation and disclosures in financial statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	To be determined

SFRS(I) 18 replaces SFRS(I) 1-1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances.

The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Group's financial statements in the period of initial application.

## STATISTICS OF SHAREHOLDINGS

As at 19 March 2025

Total number of issued ordinary shares (including treasury shares)	:	317,767,542
Total number of ordinary shares (excluding treasury shares)	:	317,545,642
Total number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

As at 19 March 2025, the total number of treasury shares held was 221,900. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 0.07%.

### DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	15	1.00	587	0.00
100 - 1,000	132	8.78	79,432	0.02
1,001 - 10,000	733	48.77	4,151,429	1.31
10,001 - 1,000,000	604	40.19	38,769,062	12.21
1,000,001 AND ABOVE	19	1.26	274,545,132	86.46
<b>TOTAL</b>	<b>1,503</b>	<b>100.00</b>	<b>317,545,642</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UNION ENERGY CORPORATION PTE LTD	58,649,905	18.47
2	CITIBANK NOMINEES SINGAPORE PTE LTD	44,884,001	14.13
3	DBS NOMINEES (PRIVATE) LIMITED	35,606,204	11.21
4	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	31,263,956	9.85
5	TEO HARK PIANG (ZHANG XUEBIN)	25,577,000	8.05
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	24,371,550	7.67
7	TAN AI BIN VINCENT DE PAUL	11,828,100	3.72
8	OCBC SECURITIES PRIVATE LIMITED	8,307,327	2.62
9	TEO SOAK THENG ALEXIS (ZHANG SHUTING)	6,926,000	2.18
10	LK TANG PTE LTD	6,127,100	1.93
11	ALICE TEO SOAK IMN (ALICE ZHANG SHUYING)	4,215,100	1.33
12	TEO KIANG ANG	3,963,500	1.25
13	RAFFLES NOMINEES (PTE.) LIMITED	3,473,119	1.09
14	NG PAU LING SIMON	2,045,200	0.64
15	CHAN WENG KONG	1,780,000	0.56
16	LOK KEE FONG	1,538,891	0.48
17	PHILLIP SECURITIES PTE LTD	1,516,399	0.48
18	WONG CHENG YONG	1,431,600	0.45
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,040,180	0.33
20	GOH YONG HOCK	1,000,000	0.31
	<b>TOTAL</b>	<b>275,545,132</b>	<b>86.75</b>

# STATISTICS OF SHAREHOLDINGS

As at 19 March 2025

## SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

No.	Name	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1	Teo Kiang Ang <sup>(1)</sup>	67,813,500	21.35	119,106,435	37.51
2	Union Energy Corporation Pte. Ltd.	112,979,335	35.58	–	–
3	Teo Hark Piang	25,577,000	8.05	–	–

### Notes:

<sup>(1)</sup> Mr. Teo Kiang Ang is the Non-executive Chairman and a controlling shareholder of the Company.

43,850,000 shares are registered in Citibank Nominees the Singapore Pte. Ltd. and 20,000,000 shares in DBS Nominees (Private) Limited.

Mr. Teo Kiang Ang is deemed interested in (i) 6,127,100 Shares held by LK Tang Pte. Ltd. ("LKT"), which is 100% owned by Mr. Teo Kiang Ang; and (ii) 112,979,335 Shares held by Union Energy Corporation Pte. Ltd. ("UEC"), which is 6.73% owned by Mr. Teo Kiang Ang and 55.16% owned by See Young Investments Pte. Ltd., which is in turn 100% owned by Mr. Teo Kiang Ang. Therefore, Mr. Teo Kiang Ang is deemed to have interest in the shares held by LKT and UEC by virtue of Section 4 of the Securities and Futures Act 2001.

## RULE 723 OF THE SGX LISTING MANUAL – FREE FLOAT

As at 19 March 2025, approximately 24.84% of the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company was held in the hands of the public.

Accordingly, the Company has complied with Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of **UNION GAS HOLDINGS LIMITED** will be held at 190 Keng Lee Road, Chui Huay Lim Club, Level 4, Cultural Room 1, Singapore 308409 on Tuesday, 29 April 2025 at 8.30 a.m., to transact the following businesses:

## ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and the Audited Financial Statements for the financial year ended 31 December 2024 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a final tax exempt (one-tier) dividend of 1.00 Singapore cent per ordinary share for the financial year ended 31 December 2024. **(Resolution 2)**
3. To re-elect Mr. Teo Hark Piang retiring pursuant to Regulation 117 of the Constitution of the Company, and who has, being eligible, offered himself for re-election as Director of the Company.  
See Explanatory Note (i) **(Resolution 3)**
4. To re-elect Mr. Loo Hock Leong retiring pursuant to Regulation 117 of the Constitution of the Company, and who has, being eligible, offered himself for re-election as Director of the Company.  
See Explanatory Note (ii) **(Resolution 4)**
5. To approve the payment of Directors' Fees of S\$783,000 for the financial year ending 31 December 2025, payable half yearly in arrears. (FY2024: S\$773,686)  
See Explanatory Note (iii) **(Resolution 5)**
6. To re-appoint RSM SG Assurance LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions, with or without any modifications:

### 8. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"), the Directors of the Company be authorised and empowered to:

- (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (iii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

## NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “SGX-ST”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

See Explanatory Note (iv)

**(Resolution 7)**

### 9. Authority to allot and issue shares under the Union Gas Scrip Dividend Scheme

That authority be and is hereby given to the Directors to allot and issue from time to time such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the Union Gas Scrip Dividend Scheme.

**(Resolution 8)**

### 10. Authority to allot and issue shares under the Union Gas Employee Share Option Scheme (the “Share Option Scheme”)

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Share Option Scheme provided always that the aggregate number of new shares to be allotted and issued pursuant to the Share Option Scheme, Union Gas Performance Share Plan, and all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company shall not exceed fifteen per centum (15%) of the total number of issued share (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day immediately preceding the date of offer of the employee share options.

See Explanatory Note (v)

**(Resolution 9)**

### 11. Authority to allot and issue shares under the Union Gas Performance Share Plan

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Union Gas Performance Share Plan and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Union Gas Performance Share Plan, provided always that the aggregate number of shares issued and issuable pursuant to vesting of awards granted under the Union Gas Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued

## NOTICE OF ANNUAL GENERAL MEETING

and issuable in respect of all options granted or awards granted under the Share Option Scheme, all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the relevant date of the award.

See Explanatory Note (vi)

**(Resolution 10)**

### 12. Proposed Renewal of the Share Buy-Back Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined) whether by way of;
- (i) on-market purchases (“**Market Purchases**”) transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which shares may for the time being be listed and quoted, the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (“**Off-Market Purchases**”) transacted otherwise on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act);

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Buy-Back Mandate**”).

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the absolute discretion of the Directors, either be cancelled, transferred for the purposes of or pursuant to any share incentive scheme(s) implemented or to be implemented by the Company, or held in treasury and dealt with in accordance with the Companies Act.
- (c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution relating to the Share Buy-Back Mandate and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the shareholders of the Company in a general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated,

(the “**Relevant Period**”);

- (d) For the purposes of this resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, Offer Date (as hereafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

“**Offer Date**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price (as hereafter defined) calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

# NOTICE OF ANNUAL GENERAL MEETING

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Limit**” means that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed by shareholders for the Share Buy-Back Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered after such capital reduction (excluding any treasury shares and subsidiary holdings as may be held by the Company from time to time);

“**Maximum Price**” in relation to a Share to be purchased, means the purchase price (excluding applicable brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
  - (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price; and
- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/ or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution relating to the Share Buy-Back Mandate.
- See Explanatory Note (vii) **(Resolution 11)**

## By Order of the Board

Wong Yoen Har  
Company Secretary

Singapore  
14 April 2025

## EXPLANATORY NOTES:

- (i) Mr. Teo Hark Piang, upon re-election as a Director of the Company, will remain as Executive Director and Chief Executive Officer of the Company.
- (ii) Mr. Loo Hock Leong, upon re-election as a Director of the Company, will remain as Lead Independent Director, Chairman of the Audit Committee, and a member of the Nominating Committee and Remuneration Committee, and the Board of Directors (save for Mr. Loo Hock Leong) considers him independent for the purposes of Rule 704(8) of the Listing Manual.
- (iii) The Ordinary Resolution 5, if passed, will facilitate the payment of Directors' Fees during the financial year ending 31 December 2025 in which the fees are incurred, which is payable half yearly in arrears.
- (iv) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a General Meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent consolidation or sub-division of shares.

## NOTICE OF ANNUAL GENERAL MEETING

- (v) The Ordinary Resolution 9, if passed, will empower the Directors to issue shares up to an amount in aggregate not exceeding fifteen per centum (15%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company pursuant to the Share Option Scheme which was approved by shareholders on 19 June 2017. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 7.
- (vi) The Ordinary Resolution 10, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Union Gas Performance Share Plan in accordance with the provisions of the Union Gas Performance Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Union Gas Performance Share Plan which was approved by shareholders on 19 June 2017, subject to the maximum number of shares prescribed under the terms and conditions of the Union Gas Performance Share Plan.

The aggregate number of ordinary shares which may be allotted and issued pursuant to the Union Gas Performance Share Plan and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the day preceding the relevant date of the award. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 7.

- (vii) The Ordinary Resolution 11, if passed, will empower the Directors of the Company effective until the earliest of: (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting; and (iii) the date on which the share buyback is fulfilled up to the full extent of the Share Buy-Back Mandate, to repurchase ordinary shares of the Company by way of on-market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Resolution. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the illustrative financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 are set out in greater detail in the Appendix to Notice of Annual General Meeting dated 14 April 2025 (“**Appendix**”) attached.

### Notes:

1. Members of the Company are invited to **attend physically** at the Annual General Meeting (the “**Meeting**”). There will be no option for members to participate virtually. The Annual Report 2024, Notice of Annual General Meeting, Proxy Form, Appendix and Request Form (to request hardcopy of the Annual Report 2024 and the Appendix) will be made available to members by electronic means via publication on the Company’s corporate website at <http://uniongas.com.sg> and are also made available on the SGX website at URL <https://www.sgx.com/securities/company-announcements>.

Printed copies of the Notice of AGM, the Proxy Form and the Request Form will be sent to members via post. Members who wish to obtain a printed copy of the Annual Report 2024 and the Appendix should complete the Request Form and return it by post to the registered office address of the Company at 89 Defu Lane 10, Union Gas House, Singapore 539220 or via email to [ir@uniongas.com.sg](mailto:ir@uniongas.com.sg) **no later than 8.30 a.m. on 21 April 2025**.

2. Members (including Central Provident Fund Investment Scheme investors (“**CPF Investors**”) and/or Supplementary Retirement Scheme investors (“**SRS Investors**”)) may participate in the Meeting by:
  - (a) attending the Meeting in person;
  - (b) raising questions at the Meeting or submitting questions in advance of the Meeting; and/or
  - (c) voting at the Meeting:
    - (i) themselves personally; or
    - (ii) through their duly appointed proxy(ies).

A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF or SRS investors should approach their respective relevant intermediary or CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the Meeting, **by 5.00 p.m. on 17 April 2025**.

A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

# NOTICE OF ANNUAL GENERAL MEETING

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.

3. Duly completed and signed instrument appointing the proxy or proxies as proxy must either be submitted to the Company in the following manner:
- (a) if submitted by post, to be deposited at the registered office address of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, to be submitted via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

**in either case, by 8.30 a.m. on 26 April 2025 (being not less than seventy-two (72) hours before the time appointed for the Meeting).**

A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

4. Members may submit questions related to the resolutions to be tabled for approval at the Meeting in advance of the Meeting by **8.30 a.m. on 22 April 2025:**
- (a) by post to reach at the registered office address of the Company at 89 Defu Lane 10, Union Gas House, Singapore 539220; or
  - (b) by email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from shareholders prior to the Meeting by publishing the responses to those questions on SGXNet on SGX website at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting via SGXNet on SGX website and the Company's website within one (1) month from the date of the Meeting.

#### **Personal data privacy:**

By submitting an instrument appointing proxy(ies) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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# UNION GAS HOLDINGS LIMITED

(Company Registration No.: 201626970Z)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 3 for the definition of "relevant intermediary").
2. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), who wish to appoint proxy or proxies should approach their relevant intermediary to submit their votes at least seven (7) working days before the AGM, by 17 April 2025.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Registration No.)  
of \_\_\_\_\_ (Address)

being a member/members of **Union Gas Holdings Limited** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Email Address	Proportion of Shareholding	
				No. of Shares	(%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Email Address	Proportion of Shareholding	
				No. of Shares	(%)

or failing whom the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us\* on my/our\* behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 190 Keng Lee Road, Chui Huay Lim Club, Level 4, Cultural Room 1, Singapore 308409 on Tuesday, 29 April 2025 at 8.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 December 2024 together with the Independent Auditor's Report thereon			
2	To approve a final tax exempt (one-tier) dividend of 1.00 Singapore cent per ordinary share for the financial year ended 31 December 2024			
3	To re-elect Mr. Teo Hark Piang as Director of the Company			
4	To re-elect Mr. Loo Hock Leong as Director of the Company			
5	To approve of Directors' Fees of S\$783,000 for the financial year ending 31 December 2025, payable half yearly in arrears			
6	To re-appoint RSM SG Assurance LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
7	To authorise Directors to allot and issue new shares			
8	To authorise the allotment and issuance of shares pursuant to the Union Gas Scrip Dividend Scheme			
9	To authorise Directors to allot and issue shares pursuant to the Union Gas Employee Share Option Scheme			
10	To authorise Directors to allot and issue shares pursuant to the Union Gas Performance Share Plan			
11	Proposed Renewal of the Share Buy-Back Mandate			

If you wish to exercise all your votes "For" or "Against" or "Abstain" a Resolution, please tick [✓] or [X] within the "For" or "Against" or "Abstain" box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" in the relevant Resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company is entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
3. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, **by 5.00 p.m. on 17 April 2025.**

A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. The instrument appointing proxy or proxies must be submitted to the Company in the following manner:
    - (a) if submitted by post, be lodged at the registered office address of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
    - (b) if submitted electronically, be submitted via email to [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com).

**in either case, by 8.30 a.m. on 26 April 2025 (being not less than seventy-two (72) hours before the time appointed for the Meeting).**

5. A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal (or such other methods as provided for in Section 41B of the Companies Act 1967 of Singapore) or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2025.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## BOARD OF DIRECTORS

**Mr Teo Kiang Ang**  
*Non-Executive Chairman*

**Mr Teo Hark Piang**  
*Executive Director and CEO*

**Mr Loo Hock Leong**  
*Lead Independent Director*

**Mr Heng Chye Kiou**  
*Independent Director*

**Mr Yee Chia Hsing**  
*Independent Director*

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## AUDIT COMMITTEE

Mr Loo Hock Leong - Chairman  
Mr Heng Chye Kiou  
Mr Yee Chia Hsing

## REMUNERATION COMMITTEE

Mr Yee Chia Hsing - Chairman  
Mr Loo Hock Leong  
Mr Heng Chye Kiou

## NOMINATING COMMITTEE

Mr Heng Chye Kiou - Chairman  
Mr Loo Hock Leong  
Mr Yee Chia Hsing

## COMPANY SECRETARY

Ms Wong Yoen Har  
Chartered Secretary Singapore

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

89 Defu Lane 10  
Union Gas House  
Singapore 539220  
Tel: (+65) 6316 6666  
Fax: (+65) 6743 0467

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services  
Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## AUDITORS

RSM SG Assurance LLP  
8 Wilkie Road  
#03-08 Wilkie Edge  
Singapore 228095  
Partner-in-charge: Mr Adrian Tan Khai-Chung  
(Public Accountant and Chartered Accountant  
Singapore)  
Effective from reporting year ended 31 December 2024

## INVESTOR RELATIONS

Ms Wrisney Tan - [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)  
Ms Victoria Lim - [victorialim@august.com.sg](mailto:victorialim@august.com.sg)

## INVESTOR CONTACT

Email: [ir@uniongas.com.sg](mailto:ir@uniongas.com.sg)  
Website: [www.uniongas.com.sg](http://www.uniongas.com.sg)



**UNION**  
**GAS**  
HOLDINGS  
LIMITED



89 DEFU LANE 10, UNION GAS HOUSE, SINGAPORE 539220