

FOR IMMEDIATE RELEASE

Union Gas delivers solid bottomline in 1H2023; both earnings and interim dividend surpass FY2022's

- 1H2023 net profit of S\$5.8 million is 137.6% higher than the S\$2.4 million earned in 1H2022 and 11.4% more than the S\$5.2 million achieved for the full financial year ended 31 December 2022.
- Demonstrates business confidence by declaring an interim dividend of 0.6 Singapore cent per share, which is higher than the total dividend per share of 0.5 Singapore cent that was paid out for FY2022.

Financial Highlights (S\$ Million)	6 months ended 30 Jun		
	1H2023	1H2022	Change (%)
Segmental Revenue:			
– Liquefied Petroleum Gas (“LPG”)	53.2	53.4	(0.2)
– Natural Gas (“NG”)	2.8	1.8	51.9
– Diesel	8.2	13.2	(37.7)
Total Revenue	64.2	68.4	(6.0)
Gross Profit	21.8	16.9	29.1
Gross Profit Margin (%)	33.9	24.7	9.2 pts
Net profit	5.8	2.4	137.6
Earnings Per Share (“EPS”) (Singapore cents)^a	1.8	0.8	125.0
Net Asset Value (“NAV”) per share (Singapore cents)^b	19.8 (as at 30 Jun 2023)	18.4 (as at 30 Jun 2022)	7.7

a. EPS is calculated based on 317,767,000 and 317,618,000 weighted average number of ordinary shares in issue in 1H2023 and 1H2022 respectively.

b. NAV is calculated based on 317,767,000 and 317,618,000 ordinary shares in issue as at 30 June 2023 and 30 June 2022 respectively.

Note: Figures have been rounded.



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SINGAPORE, 14 August 2023 – Union Gas Holdings Limited (优联燃气控股有限公司) (“Union Gas” or together with its subsidiaries, the **“Group”**), an established provider of fuel products in Singapore with over 40 years of operating track record, has more than doubled its earnings to S\$5.8 million for the six months ended 30 June 2023 (**“1H2023”**) as compared to S\$2.4 million in the corresponding six months in 2022 (**“1H2022”**). The stellar bottom-line even surpassed the S\$5.2 million that the Group recorded in net profit for its full financial year ended 31 December 2022 (**“FY2022”**).

The improved earnings was mainly due to cost control measures and enhancements in operational efficiency as well as significant softening in international energy prices during the period under review, which reduced cost of sales by 17.5% YoY from S\$51.5 million in 1H2022 to S\$42.5 million in 1H2023, and lifted gross profit correspondingly to S\$21.8 million from S\$16.9 million, with gross profit margin gaining 9.2% points to 33.9% in 1H2023.

Reflecting the improved results, earnings per share in 1H 2023 rose 125.0% YoY to 1.8 Singapore cents per share as compared to 0.8 Singapore cents per share in 1H2022, while net asset value came in higher at 19.8 Singapore cents per share as at 30 June 2023 compared to 18.4 Singapore cents per share as at 30 June 2022.

The Group remained on healthy financial footing with cash and cash equivalents of S\$9.3 million as at 30 June 2023.

To demonstrate business confidence, the Group has declared an interim dividend of 0.6 Singapore cent per share, which is higher than the total dividend per share of 0.5 Singapore cent paid out for FY2022.

Segmental Review

On a segmental basis, the Group’s **LPG Business**, which is its largest revenue generator, maintained sales of S\$53.2 million in 1H2023 (1H2022: S\$53.4 million), while its **NG Business** continued to enjoy steady growth, recording a 51.9% YoY leap in revenue to S\$2.8 million in 1H2023 due to contribution from the Group’s new piped NG and liquified NG businesses. Revenue from the **Diesel Business** declined to S\$8.2 million.



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Executive Director and Chief Executive Officer, Mr Teo Hark Piang (张学彬), said: *“Looking ahead, we will continue to leverage our upstream and downstream LPG assets to grow this segment by tapping into new opportunities along the supply chain.*

We are also encouraged by the rapid growth of our NG Business, which affirmed our strategic diversification from compressed NG to also include liquified NG and piped NG. While the performance of our Diesel Business was partially influenced by international fuel prices, our team will work hard to drive higher sales volumes for the segment.”

Outlook

Union Gas believes the outlook for its business remains positive due to the essential nature of its energy products. With international borders now fully opened and Covid-19 restrictions completely lifted, the Group intends to explore and evaluate strategic opportunities to diversify and grow its business both locally and overseas.

To cushion the impact of direct material costs, which continue to be volatile due to the ongoing conflict in Eastern Europe, the Group has put in place measures to rein in its operational expenses and controllable costs. This includes the amalgamation of two of its wholly-owned subsidiaries in January 2023 aimed at streamlining organisational structure and enhancing management control and efficiency.

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About Union Gas

Union Gas Holdings Limited (优联燃气控股有限公司) (“**Union Gas**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is an established provider of fuel products in Singapore with over 40 years of operating track record. Its three key businesses comprise Liquefied Petroleum Gas (“LPG”), Natural Gas (“NG”), and Diesel.

Listed on the Mainboard of Singapore Exchange Securities Trading Limited, Union Gas is one of the leading suppliers of LPG in Singapore. The Group has a fleet of more than 200 delivery vehicles serving more than 200,000 domestic households as well as commercial entities such as hawker centres, eating houses, coffee shops and commercial central kitchens island-wide. The Group owns LPG storage depots as well as two out of four bottling LPG bottling plants in Singapore, giving it full control of the entire LPG supply chain from procurement of LPG to bottling, storage, distribution, wholesaling and retailing.

Union Gas sells and distributes diesel to retail customers at its “Cnergy” fuel station in 50 Old Toh Tuck Road and transports, distributes and bulk sells diesel to commercial customers. The Group also provides liquified NG and piped NG to industrial customers and distributes compressed NG primarily to natural gas vehicles via its fuel station as well as to industrial customers for their commercial use.

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

Issued for and on behalf of Union Gas Holdings Limited

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