



MEDIA RELEASE

For Immediate Release

United Global turns in US\$7.6M net profit in FY2018

- Group revenue rose 8.7% to US\$108.5M from full-year contribution from new Indonesian subsidiary.
- Directors propose a final dividend of 0.5 Singapore cent per ordinary share.
- Together with the interim dividend of 0.5 Singapore cent paid out in September 2018, the total dividend for FY2018 will be 1.0 Singapore cent.

(US\$'000)	4Q2018	4Q2017	Change	FY2018	FY2017	Change
Revenue	26,029	31,229	(16.7%)	108,472	99,825	8.7%
Gross Profit	5,361	5,886	(8.9%)	20,480	18,507	10.7%
Profit Before Tax	3,238	2,854	13.5%	9,418	10,604	(11.2%)
Net Profit Attributable to Shareholders	2,615	2,542	2.9%	7,599	9,172	(17.2%)

SINGAPORE, 26 February 2019 – Catalyst-listed **United Global Limited** (“**United Global**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), an established, independent lubricant manufacturer and trader in Singapore and Indonesia, today announced that it achieved US\$7.6 million in net profit attributable to shareholders for the full year ended 31 December 2018.

This was a decline of 17.2% year-on-year, mainly due to the absence of one-off gain on bargain purchase of US\$1.4 million from the acquisition of PT Pacific Lubritama Indonesia (“**PLI**”), higher distribution cost and administrative expenses, which include a higher foreign exchange loss due to weakening of the Indonesian Rupiah, and increased income tax expense. Excluding the non-recurring gain on bargain purchase in FY2017, decline in net profit attributable to shareholders would have been 2.8%.

In the latest 12 months, Group revenue improved year-on-year by 8.7% to US\$108.5 million, thanks to higher sales generated from its Singapore plant, as well as the full-year contribution from new subsidiary PT Pacific Lubritama Indonesia, which the Group acquired on 20 July 2017 (the “**Acquisition**”).

For 4Q2018, the Group registered a 2.9% rise in net profit attributable to shareholders to US\$2.6 million despite a 16.7% dip in Group revenue to US\$26.0 million.

Dividend

The Directors have recommended a final dividend of 0.5 Singapore cent per ordinary share, which, together with the interim dividend of 0.5 Singapore cent paid in September 2018, represent a dividend payout of 30.4% of FY2018’s net profit. The final dividend, if approved by shareholders at the forthcoming Annual General Meeting, will be paid on 21 May 2019.

Segment Review

US\$'000	4Q2018	4Q2017	Change	FY2018	FY2017	Change
MANUFACTURING						
Revenue	24,758	30,132	(17.8%)	105,032	79,477	32.2%
Gross Profit	5,267	5,745	(8.3%)	20,147	17,097	17.8%
Gross Profit Margin (%)	21.3	19.1	2.1 ppt	19.2	21.5	(2.3 ppt)
TRADING						
Revenue	1,270	1,097	15.8%	3,440	20,348	(83.1%)
Gross Profit	94	141	(33.3%)	333	1,410	(76.4%)
Gross Profit Margin (%)	7.4	12.9	(5.5 ppt)	9.7	6.9	2.8 ppt

MANUFACTURING

Full-year revenue from Manufacturing segment jumped 32.2% to US\$105.0 million, boosted by the increase in sales volume generated at the Group’s Singapore and Indonesian plants albeit at marginally lower average selling prices.

Despite an 8.2% increase in cost of sales, the Manufacturing segment achieved higher gross profit year-on-year, up 17.8% to US\$20.1 million. As a result of heightened competitive pricing and a difference in product mix, Manufacturing segment turned in lower gross profit margin, down 2.3 percentage points to 19.2%.

TRADING

Revenue from the Group's Trading segment declined by 83.1% to US\$3.4 million due to the elimination of cross selling of base oil and additives from the Group's Singapore plant to PLI following the Acquisition.

Correspondingly, Trading segment's gross profit decreased by 76.4% to US\$333,000 while managing to uplift gross profit margin by 2.8 percentage points to 9.7%.

Financial Position

In its latest full-year results, the Group posted earnings per share of 2.4 US cents whilst net asset value per ordinary share rose to 11.5 US cents as at 31 December 2018. Cash and cash equivalents (excluding fixed deposits and restricted cash balances) stood at US\$6.1 million as at year's end.

Said Mr Jacky Tan, United Global's Executive Director and CEO, "Moving ahead, United Global has a three-pronged growth strategy. While we continue to focus on expanding our existing lubricants business organically in the region, we will also explore synergistic partnerships and joint ventures to strengthen our presence in selected overseas markets. We will also explore opportunities to diversify our revenue streams and add value to the Group."

Corporate Updates

On 22 October 2018, the Group entered into a non-binding memorandum of understanding with Spain-listed oil major, Repsol Lubricantes Y Especialidades, S.A. ("**Repsol**") to explore the possibility of Repsol acquiring an equity stake in our subsidiary United Oil Company Pte Ltd. Repsol is presently working on the feasibility study on the Group's lubricants businesses. The Group will make the appropriate announcements in the event of any material developments in this project.

On 17 December 2018, the Group's wholly-owned subsidiary, United Fuels Company Pte Ltd, forged a joint venture with Mr Philip Chee Choon Ming, who has more than 27 years of experience in the petroleum and petrochemicals industry, to enter into the trading of petrol and related products in the Philippines. The Group has a 45% stake in the joint venture company.

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This media release has been prepared by United Global Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this media release.

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About United Global Limited (www.unitedgloballimited.com)

United Global Limited (“United Global” or the “Company”, together with its subsidiaries (the “Group”)) is an established independent lubricant manufacturer of a wide range of high quality, well-engineered products under our in-house brands such as “United Oil” as well as for third-party principals. Our other core business is in the trading of base oils, additives and lubricants. We provide a wide range of lubricants and specialty fluids for the automotive, industrial and marine applications as well as metal working fluids, with a wide distribution network covering over 30 countries.

Started in 1999, the Group has established itself as a reliable and responsive service provider as well as a specialist in automatic transmission fluids. Our ability to customise products and production volume at a reasonable price has given us a competitive edge.

We own 2 blending facilities in Singapore and Indonesia with a combined capacity of 140,000MT. We were awarded the ISO 9001 certification for our quality management system in respect of the manufacture of lubricants by blending of base oils and additives.

Our strategic cooperation has also provided us with access to our partners’ facilities in other countries.