

PROPOSED JOINT VENTURE IN AUSTRALIA

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of United Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that United Oil Company Pte Ltd (“**United Oil**”), a wholly-owned subsidiary of the Company, has entered into a shareholders’ agreement dated 29 March 2018 with PFR Management Pty Ltd (“**PFR**”) and DP United Pty Ltd (“**DP United**”) to incorporate a joint venture company (the “**JV Company**”) in the Australia (the “**Joint Venture**”).

The JV Company will be incorporated with an initial paid-up capital of AUD100,000 and with United Oil, PFR and DP United having shareholding interests of 35.0%, 55.0% and 10.0%, respectively.

The principal activity of the JV Company will be in the importation and distribution of lubricant products manufactured by United Oil, in Australia.

2. Information on PFR and DP United

PFR is a company incorporated in the State of New South Wales in Australia which will provide the customer network in Australia for the JV Company to tap on.

DP United is a company incorporated in the State of New South Wales in Australia, which will bring to the JV Company its extensive sales experience in Australia. Both PFR and DP United will be involved in, including but not limited to, the operations, marketing activities and management of the distribution network of the products of the JV Company. United Oil will supply the lubricants to the JV Company to distribute in Australia.

DP United is an associate of David Kang, who is an employee of our representative office in Sydney. Save as disclosed, PFR is not related to the Group, and none of the Directors, controlling shareholders of the Company and/or their respective associates has any interests, directly or indirectly in PFR and DP United.

3. Rationale

The Board believes that this Joint Venture would allow the Group to increase its presence in Australia and enable the Group to have greater access and first-hand knowledge of the Australia market.

4. Funding and Financial Impact

The investment in the JV Company of AUD35,000 (equivalent to approximately US\$27,000 as at the date of this announcement) will be paid in cash and funded through the Group's internal resources. The investment in the JV Company is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2018.

5. Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, directly or indirectly, in the Joint Venture other than through their shareholding interests in the Company.

6. Further Announcements

The Company will update shareholders on material developments relating to the joint venture, if any.

By Order of the Board

Tan Thuan Hor, Jacky
Executive Director and Chief Executive Officer
29 March 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

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