

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2016**

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*This announcement has been prepared by United Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (“**Sponsor**”), SAC Advisors Private Limited, 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 correctness of any of the statements or opinions made, or reports contained in this announcement.*

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*SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.*

### **Background**

United Global Limited (together with its subsidiary, the “**Group**”) was listed on Catalist of the SGX-ST on 8 July 2016. The Group is an established independent lubricant manufacturer and trader providing a wide range of high quality, well-engineered lubricants under its in-house brands such as “United Oil”, “U Star Lube”, “Bell1” and “HydroPure” as well as manufacturing lubricants for third-party principals’ brands. The Group’s other core business is in the trading of base oils, additives and lubricants. The Group supplies lubricant products globally to over 30 countries and territories and it mainly serves the automotive, industrial and marine sectors.

The Company was incorporated in Singapore on 15 September 2015 under the Companies Act as an exempted private company, under the name of “United Global Pte. Ltd.”. On 14 June 2016, the Company was converted into a public limited company and the name was changed to “United Global Limited”. Following the completion of the restructuring exercise (the “**Restructuring Exercise**”) as disclosed in the Company’s offer document dated 28 June 2016 (the “**Offer Document**”), the Company became the holding company of its subsidiary, United Oil Company Pte Ltd. Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purpose of this announcement, the financial results of the Group for FY2016 and its comparative figures for FY2015 have been prepared on the assumption that the Group’s structure had been in place since 1 January 2015.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME

	Group		Change Increase/ (Decrease) %	Ref
	Unaudited FY2016 US\$'000	Audited FY2015 US\$'000		
<b>Revenue</b>	<b>91,542</b>	99,860	-8.3%	8.1.1
Cost of sales	<b>(77,313)</b>	(85,924)	-10.0%	8.1.2
<b>Gross profit</b>	<b>14,229</b>	13,936	2.1%	8.1.2
Other income	<b>87</b>	202	-56.9%	8.1.3
Distribution cost	<b>(1,647)</b>	(1,939)	-15.1%	8.1.4
Administrative expenses	<b>(5,039)</b>	(4,490)	12.2%	8.1.5
Other expenses	<b>(616)</b>	(6)	NM	8.1.6
Finance costs	<b>(107)</b>	(154)	-30.5%	
<b>Profit before tax</b>	<b>6,907</b>	7,549	-8.5%	8.1.7
Income tax expense	<b>(1,261)</b>	(1,308)	-3.6%	
<b>Profit for the year, representing total comprehensive income for the year</b>	<b>5,646</b>	6,241	-9.5%	
<b>Attributable to:</b>				
Equity holders of the Company	<b>5,646</b>	6,241	-9.5%	

NM : Not meaningful

**1(a)(ii) Profit before income tax is arrived after charging / (crediting) the following:**

	<b>Unaudited FY2016 US\$'000</b>	<b>Audited FY2015 US\$'000</b>	<b>Change Increase / (Decrease) %</b>
<b>Charging / (crediting):-</b>			
Allowance for doubtful debts - trade	<b>50</b>	-	NM
Bad debts written off	-	32	NM
Commission income for sale of vessels	-	(83)	NM
Depreciation of property, plant and equipment	<b>146</b>	154	-5.2%
Foreign exchanges loss / (gain), net	<b>343</b>	(33)	NM
Gain on disposal of property, plant and equipment	<b>(3)</b>	-	NM
Interest income	<b>(25)</b>	(12)	108.3%
Interest on bills payables and trust receipts	<b>90</b>	118	-23.7%
Interest on term loan and revolving credits	<b>17</b>	36	-52.8%
Listing expenses taken to profit or loss	<b>616</b>	-	NM
(Over) / under provision of current tax in prior years	<b>(36)</b>	46	NM
Property, plant and equipment written off	-	6	NM

NM : Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		Ref	Company	
	Unaudited	Audited		Unaudited	Audited
	31.12.2016	31.12.2015		31.12.2016	31.12.2015
	US\$'000	US\$'000		US\$'000	US\$'000
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and cash equivalents	14,275	9,209		849	#
Trade receivables	12,761	12,028		-	-
Other receivables	319	298		8,517	-
Inventories	4,452	3,302		-	-
<b>Total current assets</b>	<b>31,807</b>	<b>24,837</b>	8.2.1	<b>9,366</b>	<b>#</b>
<b>Non-current assets</b>					
Property, plant and equipment	2,243	2,070		-	-
Club membership	61	61		-	-
Subsidiary	-	-		5,640	-
Joint ventures	78	-		-	-
<b>Total non-current assets</b>	<b>2,382</b>	<b>2,131</b>	8.2.2	<b>5,640</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>34,189</b>	<b>26,968</b>		<b>15,006</b>	<b>#</b>
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Current liabilities</b>					
Bank borrowings	2,986	3,171		-	-
Trade payables	7,575	4,910		-	-
Other payables	2,070	8,830		461	-
Amount due to director	2,240	2,948		-	-
Current tax payable	1,351	1,391		34	-
<b>Total current liabilities</b>	<b>16,222</b>	<b>21,250</b>	8.2.3	<b>495</b>	<b>-</b>
<b>Non-current liability</b>					
Deferred tax liability, representing total non-current liability	130	78	8.2.4	-	-
<b>Equity</b>					
Share capital	13,233	2,484		13,233	#
Merger reserve	(3,156)	-		-	-
Retained earnings	7,760	3,156		1,278	-
<b>Total equity</b>	<b>17,837</b>	<b>5,640</b>	8.2.5	<b>14,511</b>	<b>#</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,189</b>	<b>26,968</b>		<b>15,006</b>	<b>#</b>

# Denotes less than US\$1,000

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Amount repayable in one year or less, or on demand (secured and guaranteed)</b>		
- Total bank borrowings	<b>2,986</b>	3,171

The Group does not have any unsecured borrowings and debt securities as at 31 December 2016 and 31 December 2015.

As at 31 December 2016 and 31 December 2015, the Group also does not have any borrowings and debt securities payable after one year.

**Details of any collaterals:**

Bank borrowings of US\$3.0 million as at 31 December 2016 (31 December 2015: US\$3.2 million) obtained by a subsidiary is secured by one or several of (i) fixed deposits of US\$2.0 million, (ii) mortgage over a leasehold property at 14 Tuas Drive 2, Singapore 638647, and (iii) joint and several personal guarantees provided by certain directors of the Company.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Group	
	Unaudited FY2016 US\$'000	Audited FY2015 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,907	7,549
Adjustments for:		
Depreciation of property, plant and equipment	146	154
Gain on disposal of property, plant and equipment	(3)	-
Property, plant and equipment written off	-	6
Interest expense	107	154
Interest income	(25)	(12)
Allowance for doubtful debts-trade	50	-
Bad debts written off	-	32
Operating cash flows before movements in working capital	<u>7,182</u>	<u>7,883</u>
Trade receivables	(783)	8,453
Other receivables	(357)	3,572
Trade payables	2,664	(2,650)
Other payables	173	(1,155)
Inventories	(1,150)	1,465
Cash generated from operations	<u>7,729</u>	<u>17,568</u>
Income tax paid	(1,249)	(819)
Interest received	25	12
Interest paid	(107)	(154)
Net cash generated from operating activities	<u>6,398</u>	<u>16,607</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment in joint ventures	(78)	-
Proceeds from disposal of property, plant and equipment	101	-
Purchase of property, plant and equipment (Note A)	(351)	(333)
Repayment of loan to related parties	-	1,500
Net cash (used in) generated from investing activities	<u>(328)</u>	<u>1,167</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	31,521	38,863
Repayment of bank borrowings	(31,706)	(40,538)
Repayment of amount due to director	(708)	(206)
Increase in pledged fixed deposits	(220)	(7)
Dividend paid	(8,042)	(13,000)
Proceed on issuance of shares	7,931	#
Net cash used in financing activities	<u>(1,224)</u>	<u>(14,888)</u>
Net increase in cash and cash equivalents	4,846	2,886
Cash and cash equivalents at beginning of year	<u>7,382</u>	<u>4,496</u>
<b>Cash and cash equivalents at end of year</b>	<u>12,228</u>	<u>7,382</u>

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>FY2016</b>	<b>FY2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	<b>7,725</b>	7,382
Fixed deposits	<b>6,550</b>	1,827
	<b>14,275</b>	9,209
Less: Restricted cash (pledged fixed deposits)	<b>(2,047)</b>	(1,827)
Cash and cash equivalents per consolidated statements of cash flows	<b>12,228</b>	7,382

# Denotes less than US\$1,000

Note A

In 2016, the Group acquired plant and equipment with an aggregate cost of US\$418,000 (2015 : US\$492,000) of which US\$67,000 (2015 : US\$159,000) is unpaid at the end of the reporting period. Cash payments of US\$351,000 (2015 : US\$333,000) were made to purchase plant and equipment.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<u>Group</u>	Share capital US\$'000	Merger reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<b>Balance at 1 January 2015</b>	2,484	-	16,915	19,399
Profit for the year, representing total comprehensive income for the year	-	-	6,241	6,241
<i>-Transaction with owners, recognised directly in equity</i>				
Issue of share capital on incorporation of the Company	#	-	-	#
Dividends	-	-	(20,000)	(20,000)
<b>Balance at 31 December 2015</b>	2,484	-	3,156	5,640
Profit for the year, representing total comprehensive income for the year	-	-	5,646	5,646
<i>-Transaction with owners, recognised directly in equity</i>				
Dividends	-	-	(1,042)	(1,042)
Adjustment arising from the restructuring exercise	(2,484)	(3,156)	-	(5,640)
Issue of new Shares pursuant to the Restructuring exercise	5,640	-	-	5,640
Issue of new Shares pursuant to IPO (net of listing expenses taken to equity)	7,593	-	-	7,593
<b>Balance at 31 December 2016</b>	<b>13,233</b>	<b>(3,156)</b>	<b>7,760</b>	<b>17,837</b>
<b><u>Company</u></b>				
<b>Balance at date of incorporation and 31 December 2015</b>	#	-	-	#
Profit for the year, representing total comprehensive income for the year	-	-	2,320	2,320
<i>-Transaction with owners, recognised directly in equity</i>				
Dividends	-	-	(1,042)	(1,042)
Issue of new Shares pursuant to the Restructuring exercise	5,640	-	-	5,640
Issue of new Shares pursuant to IPO (net of listing expenses taken to equity)	7,593	-	-	7,593
<b>Balance at 31 December 2016</b>	<b>13,233</b>	<b>-</b>	<b>1,278</b>	<b>14,511</b>

# Denotes less than US\$1,000

Note: The Company was incorporated on 15 September 2015.

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The changes in share capital of the Company since the date of incorporation on 15 September 2015 up to 31 December 2016 are set out below:-

	Number of Issued Shares	Issued and paid-up share capital US\$
Issued and fully paid as at date of incorporation, and as at 31 December 2015	10	7
Issue of new shares pursuant to the Restructuring Exercise (before the share split)	8,000,402	5,640,044
Issued and fully paid immediately after the Restructuring Exercise (before the Share Split)	8,000,412	5,640,051
After Share Split, Pre-placement issued shares	240,012,360	5,640,051
New shares issued pursuant to IPO	42,800,000	7,931,054
Listing expenses taken to equity	-	(337,752)
Paid-up share capital as at 31 December 2016	282,812,360	13,233,353

**United Global Performance Share Plan**

The Company had on 14 June 2016 adopted the United Global Performance Share Plan (“PSP”). The Company has not granted any awards under the PSP as at the date of this announcement.

Save as disclosed above, the Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary share (excluding treasury shares) as at 31 December 2016 was 282,812,360 (as at 31 December 2015: 10).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during the year ended and as at 31 December 2016.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in item 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 31 December 2015 prepared for the purpose of the IPO as disclosed in the Offer Document. The financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the reporting periods in which the common control combination occurs are included in the combined financial statement of the Group, as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2016, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and the Interpretations of Financial Reporting Standards ("Interpretations FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and Interpretations FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>FY2016</b>	<b>FY2015</b>
Earnings per ordinary share for the financial year:-		
(i) Based on weighted average number of ordinary shares in issue (US\$ cents)	<u>2.2 cents</u>	2.6 cents
(ii) On fully diluted basis (US\$ cents)	<u>2.2 cents</u>	2.6 cents
Weighted average number of shares (in '000)	<u>260,711</u>	240,012

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2016 and 31 December 2015.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends. (Continued)**

For comparative and illustrative purposes, the earnings per ordinary share for the financial year ended 31 December 2015 was computed based on the number of ordinary shares issued after share split of 240,012,360 which was completed on 14 June 2016.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at 31.12.2016	As at 31.12.2015	As at 31.12.2016	As at 31.12.2015
Net asset value (US\$'000)	<b>17,837</b>	5,640	<b>14,511</b>	#
Number of ordinary share in issue (in '000)	<b>282,812</b>	240,012	<b>282,812</b>	240,012
Net asset value per ordinary share (US\$ cents)	<b>6.3 cents</b>	2.3 cents	<b>5.1 cents</b>	NM

# – Less than US\$1,000

NM – Not meaningful

For comparative and illustrative purposes, the net assets value per ordinary share for the financial year ended 31 December 2015 was computed based on the number of ordinary shares issued after share split of 240,012,360 which was completed on 14 June 2016.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review of Group's Performance**

8.1.1 *Revenue*

<u>Revenue</u>	FY2016		FY2015		Change
	US\$'000	%	US\$'000	%	Increase/ (Decrease) %
Manufacturing	50,742	55.4	50,766	50.8	(0.1)
Trading	40,800	44.6	49,094	49.2	(16.9)
Group	<u>91,542</u>	100.0	<u>99,860</u>	100.0	(8.3)
	<b>Change in sales volume</b>		<b>Change in average selling price</b>		
	%		%		
Manufacturing	8.4		(7.8)		
Trading	(5.7)		(11.9)		
Group	(0.7)		(7.7)		

*Note: The percentage changes in the table above refer to comparisons between FY2015 and FY2016.*

For FY2016, revenue decreased by US\$8.3 million or 8.3%, from US\$99.9 million in FY2015 to US\$91.5 million in FY2016. This was due to a decrease in revenue from the trading business segment of US\$8.3 million or 16.9%.

Manufacturing

Revenue from our manufacturing business segment remains largely unchanged. Decrease in average selling price from the manufacturing business segment is mainly due to the lower base oil price. The impact to the decrease in selling price has been offset with an increase in sales volume from our manufacturing business segment in FY2016 compared to FY2015. Higher manufacturing volume in FY2016 was attributed mainly to our close collaboration with our distributors to promote our products, to further increase brand awareness and market penetration of our existing range of products, and our continuous effort to provide value added services to our OEM customers.

Trading

The drop in revenue from the trading business segment was mainly due to decrease in selling price and sales volume. The decrease in the selling price in trading business segment was also due to the lower base oil price in FY2016. Traded volume decreased was mainly due to lower trading volume of lubricants.

Geographical analysis

Geographically, the decrease in revenue was mainly attributable to the drop in revenue contribution from Greater China, Indonesia, Myanmar and other Asian countries of US\$3.4 million, US\$2.5 million, US\$2.0 million and US\$1.9 million respectively in FY2016. This was partially offset by an increase in revenue contribution by US\$2.2 million from Singapore in FY2016.

Revenue from Greater China decreased by US\$3.4 million or 18.4% in FY2016, mainly due to lower revenue from our trading business segment as a result of lower trading volume. Revenue from Indonesia decreased by US\$2.5 million or 7.4% in FY2016, mainly due to decrease in trading revenue arising from decrease in overall selling price in base oil price.

Geographical analysis (continued)

Revenue from Singapore increased by US\$2.2 million or 18.1% in FY2016, mainly due to an increase in revenue from both our manufacturing and trading business segments. Lower revenue from both Myanmar and other Asian countries was mainly due to lower revenue from our manufacturing business segment.

8.1.2 *Cost of Sales and Gross Profit*

	FY2016		FY2015		Change Increase/ (Decrease)
<u>Gross profit</u>	US\$'000	%	US\$'000	%	%
Manufacturing	12,040	84.6	12,302	88.3	(2.1)
Trading	2,189	15.4	1,634	11.7	34.0
Group	<u>14,229</u>	100.0	<u>13,936</u>	100.0	2.1
	FY2016		FY2015		
<u>Gross profit margin</u>	%		%		
Manufacturing	23.7		24.2		
Trading	5.4		3.3		
Group	15.5		14.0		

Cost of sales decreased by US\$8.6 million or 10.0%, from US\$85.9 million in FY2015 to US\$77.3 million in FY2016. This was mainly due to a decrease in the cost of raw materials which is in line with the decrease in revenue.

Our overall gross profit increased by US\$0.3 million or 2.1%, from US\$13.9 million in FY2015 to US\$14.2 million in FY2016.

Our overall gross profit margins improved by 1.5 percentage point, from 14.0% in FY2015 to 15.5% in FY2016 due to improvement in gross profit margin of our trading business segment. The gross profit margin of our manufacturing segment remains largely unchanged. The increase in our trading segment margin was mainly due to lower cost of purchase of base oils in FY2016.

8.1.3 *Other Income*

Other income decreased by US\$0.1 million or 56.9%, from US\$0.2 million in FY2015 to approximately US\$87,000 in FY2016, mainly due to an absence of non-recurring commission income for sale of vessels.

8.1.4 *Distribution Cost*

Our distribution cost decreased by US\$0.3 million or 15.1%, from US\$1.9 million in FY2015 to US\$1.6 million in FY2016, mainly due to a decrease in freight and transportation costs.

8.1.5 *Administrative Expenses*

Our administrative expenses increased by US\$0.5 million or 12.2%, from US\$4.5 million in FY2015 to US\$5.0 million in FY2016, mainly due to foreign exchange losses arising from translation differences on the Singapore dollar denominated assets being mainly bank balances, higher professional and directors' fees incurred in conjunction with the IPO.

#### 8.1.6 *Other Expenses*

Other expenses refer to a one-off IPO expenses charged to the profit or loss account.

#### 8.1.7 *Profit before Tax (“PBT”)*

Our PBT decreased by US\$0.6 million or 8.5%, from US\$7.5 million in FY2015 to US\$6.9 million in FY2016. This was mainly due to higher administrative expenses and a one-off IPO expenses which is partially offset by a lower distribution cost and higher gross profit.

### **Review of Statements of Financial Position**

#### 8.2.1 *Current Assets*

Current assets comprise of cash and cash equivalents, trade receivables, other receivables and inventories.

As at 31 December 2016, current assets amounted to US\$31.8 million or 93.0% of our total assets. Cash and cash equivalents was the largest component of our current assets, accounting for US\$14.3 million or 44.9% of our current assets. Trade receivables accounted for US\$12.8 million or 40.1% of our current assets. Inventories accounted for US\$4.5 million or 14.0% of our current assets, and comprised raw materials, finished products and work-in-progress. The remaining balance of current assets comprised other receivables of US\$0.3 million.

Current assets increased by US\$7.0 million from US\$24.8 million as at 31 December 2015 to US\$31.8 million as at 31 December 2016. The increase was mainly due to an increase (i) cash and cash equivalents of US\$5.0 million; (ii) inventories of US\$1.1 million due to higher raw materials purchased toward the end of 31 December 2016; and (iii) trade receivables of US\$0.7 million.

#### 8.2.2 *Non-Current Assets*

Non-current assets comprise of property, plant and equipment, club membership and joint ventures.

As at 31 December 2016, non-current assets amounted to US\$2.4 million or 7.0% of our total assets.

Property, plant and equipment amounted to US\$2.2 million or 94. 2% of our non-current assets, comprising mainly leasehold property, machinery and equipment, motor vehicles, renovation, and construction-in-progress. Investment in joint ventures amounted to US\$0.1 million or 3.3% of our non-current assets. The remaining balance of non-current assets comprised club membership of US\$0.1 million.

#### 8.2.3 *Current Liabilities*

Current liabilities comprise of short-term bank borrowings, trade payables, other payables, amount due to director and current tax payable.

As at 31 December 2016, current liabilities amounted to US\$16.2 million or 99.2% of our total liabilities.

Current liabilities decreased by US\$5.0 million from US\$21.2 million as at 31 December 2015 to US\$16.2 million as at 31 December 2016. The decrease was mainly due to the (i) payment of dividend of US\$7.0 million which was declared for FY2015 and (ii) decrease in amount due to director of US\$0.7 million. The decrease was partially offset by an increase in trade payables of US\$2.7 million which was mainly due to purchase of raw materials towards end of FY2016.

#### 8.2.4 *Non-Current Liability*

Non-current liability comprises deferred tax liability. As at 31 December 2016, deferred tax liability amounted to US\$0.1 million, which remains largely unchanged from the balance as at 31 December 2015.

#### 8.2.5 *Equity*

As at 31 December 2016, equity amounted to US\$17.8 million which comprises of share capital, merger reserve and retained earnings. The increase of US\$12.2 million in equity was due to (i) net increase in share capital and merger reserve in conjunction to the IPO of US\$7.6 million, and (ii) recognition of profit for the year of US\$5.6 million, off-set with the interim dividend declared during the year of US\$1.0 million.

### **Review of Statements of Cash Flows**

In FY2016, we generated net cash from operating activities before changes in working capital of US\$7.2 million. Net cash generated from working capital amounted to US\$0.5 million. This was mainly due to increase in trade payables of US\$2.7 million, and partially offset by an increase in inventories of US\$1.2 million and an increase in trade and other receivables of US\$1.1 million.

The increase in trade payables and inventories mainly due to the higher purchases of raw materials towards the end of FY2016. The Group paid income tax of US\$1.3 million in FY2016. The net cash generated from operating activities amounted to US\$6.4 million in FY2016.

Net cash used in investing activities of US\$0.3 million in FY2016 was mainly due to purchase of property, plant and equipment.

Net cash used in financing activities of US\$1.2 million in FY2016 was mainly due to the dividends payment of US\$8.0 million (including US\$7.0 million which was declared for FY2015 and interim dividend for FY2016 of US\$1.0 million), repayment of bank borrowings of US\$31.7 million, repayment of amount due to director of US\$0.7 million, partially offset by proceeds on issuance of shares of US\$7.9 million and proceeds from bank borrowings of US\$31.5 million.

As a result of the above, there was a net increase of US\$4.8 million in our cash and cash equivalents, from US\$7.4 million as at 1 January 2016 to US\$12.2 million as at 31 December 2016.

#### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. There was no forecast or prospect statements previously disclosed to shareholders.

#### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The current macro-economic environment continues to be highly challenging and competitive, with a great amount of uncertainty contributed by global political events.

Our Group's businesses depend on markets and economic conditions in the Asia-Pacific region and the overall business conditions in this region are expected to remain challenging.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (Continued)**

We will continue to focus on addressing consumer's changing needs in our Asia-Pacific region markets, improving our operational efficiency and establishing closer relationships with existing customers.

Meanwhile, the Group had on 15 August 2016 announced the signing of non-binding memorandum of understanding (the "MOU") with our major customer, PT Pacific Lubritama Indonesia ("PLI"), to explore future collaboration opportunities and/or the possibility of the Group acquiring an equity interest in PLI. The Group has commenced discussions with PLI and will keep shareholders updated of any material developments.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

<b>FY2016</b>	
Name of Dividend	<b>Final Dividend</b>
Dividend Type	Cash
Dividend per share	0.5 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)
Total number of issued shares (excluding treasury shares)	282,812,360
Total amount payable	S\$1.4 million (or approximate US\$1.0 million)

An interim dividend of 0.5 Singapore cents (tax exempt (one-tier)) per share was paid on 5 September 2016.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**(c) Date payable**

The final dividend, if approved by the shareholders of the Company at the forthcoming Annual General Meeting of the Company to be held, will be paid on 19 May 2017.

**(d) Books closure date**

Notice is hereby given that, subject to the approval of the shareholders of the Company to the final dividend being obtained at the forthcoming Annual General Meeting of the Company, the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2017 on which no share transfer will be effected. Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619 up to 5.00 p.m. on 5 May 2017 will be registered before entitlements to the Dividend are determined.

**(d) Books closure date (continued)**

Members whose securities accounts with The Central Depository (Pte) Limited (“CDP”) are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 May 2017 will be entitled to the Dividend. In respect of shares in securities accounts with CDP, the Dividend will be paid by the Company to CDP which will, in turn, distribute the Dividend entitlements to such holders in accordance with its normal practice.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13. If the group has obtained mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Other than the Restructuring Exercise and interested person transactions (“IPT”) as disclosed on pages 62, 113 to 116 of the Offer Document dated 28 June 2016 and below, there were no additional IPT of S\$100,000 and above from 1 January 2016 to 7 July 2016, upon the Company’s Initial Public Offering (“IPO”).

During the period from 1 January 2016 to 7 July 2016, the Group has recorded (i) sales to PLI of US\$15.5 million and (ii) purchases from PLI of US\$7.0 million. The Group has an existing general mandate from shareholders for IPT in relation to (i) sale of base oils, additives and lubricants to PLI and (ii) purchase of processed additives and lubricants from PLI (“Shareholders’ Mandate”) which has been effective since 8 July 2016, upon the IPO. The details of the Shareholders’ Mandate are set out in pages 117 to 126 of the IPO Offer Document.

For the period from 8 July 2016 to 31 December 2016 (the “Period Under Review”), interested person transactions exceeding S\$100,000 in aggregate under review are disclosed as follows:

	<b>Aggregate value of all interested person transactions during the Period Under Review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders’ Mandate) (US\$’000)</b>	<b>Aggregate value of all interested person transactions conducted under Shareholders’ Mandate during the Period Under Review (excluding transactions less than S\$100,000) (US\$’000)</b>
<b><u>Transactions with PLI</u></b>		
Sale of base oils	-	11,549
Sale of additives	-	3,552
Sale of finished products (lubricants)	-	357
Purchase of processed additives	-	1,330
Purchase of finished products (lubricants)	-	2,692

**14. Use of IPO proceeds**

The following table sets out the breakdown of the use of proceeds from the IPO as at the date of announcement:

		<b>Intended Amount S\$'000</b>	<b>Amount Re- allocated (note 1) S\$'000</b>	<b>Amount Utilised S\$'000</b>	<b>Balance S\$'000</b>
1	Expansion of business via investments, acquisitions and strategic alliances	7,400	7,400	-	7,400
2	General working capital including expanding into new and existing geographical markets	1,800	2,000	(2,000)	-
3	Listing expenses	1,500	1,300	(1,300)	-
	<b>Gross Proceeds</b>	<b>10,700</b>	<b>10,700</b>	<b>(3,300)</b>	<b>7,400</b>

Note 1: The Company has re-allocated approximately S\$200,000 from payment of listing expenses to working capital.

Save as disclosed in note 1, the above utilisation is in accordance with the intended use of proceeds of IPO as stated in the Offer Document dated 28 June 2016.

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.

**15. Confirmation by the board pursuant to Rule 705(5) of the Catalist Rules**

Not applicable to announcement of full-year results.

**16. Confirmation by the directors and executive officers pursuant to Rule 720(1) of the Catalist Rules**

The Board of Directors hereby confirms that all required undertakings pursuant to Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**17. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The following is an analysis of the Group's revenue and results by business segment:

	<u>Manufacturing</u>		<u>Trading</u>		<u>Total</u>	
	<u>FY2016</u> US\$'000	<u>FY2015</u> US\$'000	<u>FY2016</u> US\$'000	<u>FY2015</u> US\$'000	<u>FY2016</u> US\$'000	<u>FY2015</u> US\$'000
Total revenue	<b>50,742</b>	50,766	<b>40,800</b>	49,094	<b>91,542</b>	99,860
Segment results	<b>12,040</b>	12,302	<b>2,189</b>	1,634	<b>14,229</b>	13,936
Depreciation of plant and equipment (excluding machinery)					<b>(42)</b>	(71)
Gain on disposal of plant and equipment					<b>3</b>	-
Interest income					<b>25</b>	12
Finance costs					<b>(107)</b>	(154)
Other expenses (IPO expenses charged to the profit & loss)					<b>(616)</b>	-
Other unallocated expenses					<b>(6,585)</b>	(6,174)
Profit before tax					<b>6,907</b>	7,549
Income tax expense					<b>(1,261)</b>	(1,308)
<b>Profit for the year</b>					<b>5,646</b>	6,241

The Group's revenue from external customers by geographical location are detailed below:

	<u>FY2016</u>	<u>FY2015</u>
	US\$	US\$
<b>Based on location of customers</b>		
Indonesia	31,275	33,770
Greater China	15,217	18,655
Singapore	14,126	11,957
Oceania countries	8,647	9,277
Malaysia	8,280	8,278
Other Asian countries	7,599	9,544
Myanmar	4,859	6,819
Others	1,539	1,560
Total	<u>91,542</u>	<u>99,860</u>

**Information about major customers**

In FY2016, the Group has one major customer ("**Customer A**") (FY2015 : two) that individually contributed greater than 10% of the Group's total revenue.

Included in revenue arising from manufacturing segment of US\$51 million (FY2015 : US\$51 million) are revenue of approximately US\$0.6 million (FY2015 : US\$0.5 million) which arose from sales to Customers A.

Included in revenue arising from trading segment of US\$41 million (FY2015 : US\$49 million) are revenue of approximately US\$30 million (FY2015 : US\$33 million) which arose from sales to Customer A.

**18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above.

**19. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year**

	<u>Group</u>		
	<u>FY2016</u>	<u>FY2015</u>	<u>Increase/</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
			%
(a) Sales reported for first half year	42,307	52,812	(19.9)
(b) Operating profit after income tax for first half year	2,722	2,911	(6.5)
(c) Sales reported for second half year	49,235	47,048	4.6
(d) Operating profit after income tax reported for second half year	2,924	3,330	(12.2)

**20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total distribution paid and proposed in respect of the financial year ended 31 December 2016 is 1.0 Singapore cents per share in cash (FY2015: Nil).

	FY2016 US\$'000	FY2015 US\$'000	Increase/ (Decrease) %
<i>(a) Ordinary</i>			
- Interim cash dividend (paid)	1,042	-	100.0
- Final cash dividend (proposed)	977	-	100.0
<i>(b) Preference</i>	-	-	-
Total	<b>2,019</b>	-	100.0

Estimated based on share capital of 282,812,360 ordinary shares (excluding treasury shares) at the end of the financial year, based on the estimated exchange rate of US\$1: S\$1.4468.

**21. Person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10)**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Shawn Tan	41	Brother of Jacky Tan Thuan Hor, Executive Director/ CEO of the Company	Deputy General Manager since 2011.  He is responsible for assisting our executive directors and general manger in overseeing all operational aspects of the business.	No changes during the year.

**BY ORDER OF THE BOARD OF DIRECTORS**

Tan Thuan Hor  
Executive Director / Chief Executive Officer

27 February 2017