

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE (“1H”) 2017

*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 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 comparative figures for financial results of the Group for 1H2016 have been prepared on the assumption that the Group’s structure had been in place since 1 January 2016.

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 1H2017 US\$'000	Unaudited 1H2016 US\$'000		
Revenue	45,815	42,307	8.3%	8.1.1
Cost of sales	(37,948)	(36,158)	5.0%	8.1.2
Gross profit	7,867	6,149	27.9%	8.1.2
Other income	172	30	473.3%	8.1.3
Distribution cost	(1,040)	(746)	39.4%	8.1.4
Administrative expenses	(2,567)	(2,115)	21.4%	8.1.5
Share of profit of joint venture	5	-	NM	
Finance costs	(72)	(58)	24.1%	
Profit before tax	4,365	3,260	33.9%	8.1.6
Income tax expense	(726)	(538)	34.9%	8.1.7
Profit for the period, representing total comprehensive income for the period	3,639	2,722	33.7%	
Attributable to:				
Equity holders of the Company	3,639	2,722	33.7%	

NM : Not meaningful

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

	Unaudited 1H2017 US\$'000	Unaudited 1H2016 US\$'000	Change Increase / (Decrease) %
Charging / (crediting):-			
Depreciation of property, plant and equipment	105	74	41.9%
Foreign exchanges (gain) / loss, net	(169)	19	NM
Gain on disposal of property, plant and equipment	(3)	-	100%
Interest income	(26)	(9)	188.9%
Interest on bills payables and trust receipts	62	50	24.0%
Interest on term loan and revolving credits	10	8	25.0%

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
	30.06.2017	31.12.2016		30.06.2017	31.12.2016
	US\$'000	US\$'000		US\$'000	US\$'000
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	12,039	14,275		671	849
Trade receivables	17,124	12,761		-	-
Other receivables	229	319		8,387	8,517
Inventories	5,479	4,452		-	-
Total current assets	34,871	31,807	8.2.1	9,058	9,366
Non-current assets					
Property, plant and equipment	2,234	2,243		-	-
Club membership	75	61		-	-
Investment in subsidiary	-	-		5,640	5,640
Investment in joint venture	83	78		-	-
Total non-current assets	2,392	2,382	8.2.2	5,640	5,640
TOTAL ASSETS	37,263	34,189		14,698	15,006
<u>EQUITY AND LIABILITIES</u>					
Current liabilities					
Bank borrowings	6,748	2,986		-	-
Trade payables	4,760	7,575		-	-
Other payables	1,545	2,070		143	461
Amount due to director	2,240	2,240		-	-
Current tax payable	1,377	1,351		96	34
Total current liabilities	16,670	16,222	8.2.3	239	495
Non-current liability					
Deferred tax liability, representing total non-current liability	130	130	8.2.4	-	-
Equity					
Share capital	13,233	13,233		13,233	13,233
Merger reserve	(3,156)	(3,156)		-	-
Retained earnings	10,386	7,760		1,226	1,278
Total equity	20,463	17,837	8.2.5	14,459	14,511
TOTAL EQUITY AND LIABILITIES	37,263	34,189		14,698	15,006

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:

	Group	
	As at	As at
	30.06.2017	31.12.2016
	US\$'000	US\$'000
Amount repayable in one year or less, or on demand (secured and guaranteed)		
- Total bank borrowings	6,748	2,986

The Group does not have any unsecured borrowings and debt securities as at 30 June 2017 and 31 December 2016.

As at 30 June 2017 and 31 December 2016, the Group also does not have any borrowings and debt securities payable after one year.

Details of any collaterals:

Bank borrowings of US\$6.7 million as at 30 June 2017 obtained by a subsidiary is secured by one or several of (i) fixed deposits of US\$1.4 million and (ii) mortgage over a leasehold property at 14 Tuas Drive 2, Singapore 638647.

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 1H2017 US\$'000	Unaudited 1H2016 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,365	3,260
Adjustments for:		
Share of profit of joint venture	(5)	-
Depreciation of property, plant and equipment	105	74
Gain on disposal of property, plant and equipment	(3)	-
Interest expense	72	58
Interest income	(26)	(9)
Operating cash flows before movements in working capital	<u>4,508</u>	3,383
Trade receivables	(4,363)	1,597
Other receivables	90	(530)
Trade payables	(2,815)	3,457
Other payables	(457)	(360)
Inventories	(1,027)	(1,187)
Cash (used in) generated from operations	(4,064)	6,360
Income tax paid	(700)	(728)
Interest received	26	9
Interest paid	(72)	(58)
Net cash (used in) from operating activities	<u>(4,810)</u>	5,583
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of club membership	(14)	-
Purchase of property, plant and equipment	(161)	(114)
Net cash used in investing activities	<u>(175)</u>	(114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	18,546	18,099
Repayment of bank borrowings	(14,784)	(17,135)
Repayment of amount due to director	-	(17)
Decrease (increase) in pledged fixed deposits	619	(8)
Dividend paid	(1,013)	(7,000)
Net cash from (used in) financing activities	<u>3,368</u>	(6,061)
Net decrease in cash and cash equivalents	(1,617)	(592)
Cash and cash equivalents at beginning of period	12,228	7,382
Cash and cash equivalents at end of period	<u>10,611</u>	<u>6,790</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)

	Group	
	Unaudited	Unaudited
	1H2017	1H2016
	US\$'000	US\$'000
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	10,611	6,790
Fixed deposits	1,428	1,835
	12,039	8,625
Less: Restricted cash (pledged fixed deposits)	(1,428)	(1,835)
Cash and cash equivalents per consolidated statements of cash flows	10,611	6,790

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

	Share capital	Merger reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Group</u>				
Balance at 1 January 2016	2,484		3,156	5,640
Profit for the period, representing total comprehensive income for the period	-	-	2,722	2,722
<i>-Transactions with owners, recognised directly in equity:</i>				
Issue of shares pursuant to the Restructuring Exercise	5,640	-	-	5,640
Adjustment arising from the Restructuring Exercise	(2,484)	(3,156)	-	(5,640)
Balance at 30 June 2016	5,640	(3,156)	5,878	8,362
Balance at 1 January 2017	13,233	(3,156)	7,760	17,837
Profit for the period, representing total comprehensive income for the period	-	-	3,639	3,639
<i>-Transaction with owners, recognised directly in equity:</i>				
Dividend paid to owners of the Company	-	-	(1,013)	(1,013)
Balance at 30 June 2017	13,233	(3,156)	10,386	20,463
<u>Company</u>				
Balance at 1 January 2016	#	-	-	#
Profit for the period, representing total comprehensive income for the period	-	-	1,800	1,800
<i>-Transaction with owners, recognised directly in equity:</i>				
Issue of shares pursuant to the Restructuring Exercise	5,640	-	-	5,640
Balance at 30 June 2016	5,640	-	1,800	7,440
Balance at 1 January 2017	13,233	-	1,278	14,511
Profit for the period, representing total comprehensive income for the period	-	-	961	961
<i>-Transaction with owners, recognised directly in equity:</i>				
Dividend paid to owners of the Company	-	-	(1,013)	(1,013)
Balance at 30 June 2017	13,233	-	1,226	14,459

Denotes less than US\$1,000

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Issued and paid-up ordinary shares	Number of ordinary shares	Issued and paid-up share capital (US\$)
Balance as at 31 December 2016 and 30 June 2017	282,812,360	13,233,353

There was no change in the Company's issued and paid-up share capital from 1 January 2017 to 30 June 2017.

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, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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 30 June 2017 was 282,812,360 (as at 31 December 2016: 282,812,360).

1(d)(iv) A statement showing all sales, transfers, 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 period ended and as at 30 June 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during the period ended and as at 30 June 2017.

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 2016. 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 2017, 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 periods.

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.

	Group	
	1H2017	1H2016
Earnings per ordinary share for the financial period:-		
(i) Based on weighted average number of ordinary shares in issue (US\$ cents)	<u>1.3 cents</u>	<u>1.1 cents</u>
(ii) On fully diluted basis (US\$ cents)	<u>1.3 cents</u>	<u>1.1 cents</u>
Weighted average number of shares (in '000)	<u>282,812</u>	<u>240,012</u>

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2017 and 30 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 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
Net asset value (US\$'000)	20,463	17,837	14,459	14,511
Number of ordinary share in issue (in '000)	282,812	282,812	282,812	282,812
Net asset value per ordinary share (US\$ cents)	7.2 cents	6.3 cents	5.1 cents	5.1 cents

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>	1H2017		1H2016		Change Increase/ (Decrease) %
	US\$'000	%	US\$'000	%	
Manufacturing	27,008	59.0	21,256	50.2	27.1
Trading	18,807	41.0	21,051	49.8	(10.7)
Group	45,815	100.0	42,307	100.0	8.3
	Change in sales volume		Change in average selling price		
	%		%		
Manufacturing	13.9		11.6		
Trading	(25.9)		20.6		
Group	(13.1)		24.7		

Note: The percentage changes in the table above refer to comparisons between 1H2016 and 1H2017.

For 1H2017, revenue increased by US\$3.5 million or 8.3%, from US\$42.3 million in 1H2016 to US\$45.8 million in 1H2017. This was due to an increase in revenue from the manufacturing business segment of US\$5.8 million or 27.1%. The increase was partially offset by a decrease in revenue from the trading business segment of US\$2.2 million or 10.7%.

Manufacturing

Revenue from our manufacturing business segment increased mainly due to an increase in both sales volume and average selling price from the manufacturing business segment. The increase in average selling price is mainly due to the higher base oil price in 1H2017 compared to 1H2016. Higher manufacturing volume in 1H2017 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 sales volume and the impact to the lower sales volume has been partially offset with the higher average selling price. Sales volume decreased mainly due to lower trading volume of lubricants. The increase in the selling price in trading business segment was also due to the higher base oil price in 1H2017.

8.1.2 *Cost of Sales and Gross Profit*

<u>Gross profit</u>	1H2017		1H2016		Change Increase/ (Decrease) %
	US\$'000	%	US\$'000	%	
Manufacturing	6,640	84.4	5,129	83.4	29.5
Trading	1,227	15.6	1,020	16.6	20.3
Group	<u>7,867</u>	100.0	<u>6,149</u>	100.0	27.9
<u>Gross profit margin</u>	1H2017		1H2016		
	%		%		
Manufacturing	24.6		24.1		
Trading	6.5		4.8		
Group	17.2		14.5		

Cost of sales increased by US\$1.8 million or 5.0%, from US\$36.2 million in 1H2016 to US\$38.0 million in 1H2017. This was mainly due to an increase in the cost of raw materials which is in line with the increase in revenue.

Our overall gross profit increased by US\$1.7 million or 27.9%, from US\$6.1 million in 1H2016 to US\$7.9 million in 1H2017.

Our overall gross profit margins improved by 2.7 percentage point, from 14.5% in 1H2016 to 17.2% in 1H2017 due mainly to the improvement in gross profit margin of our trading business segment. The increase in the margin of our trading business segment was mainly due to lower cost of purchase of base oils in 1H2017. The Group recorded a 0.5 percentage point increase in gross profit margin in our manufacturing business segment, from 24.1% in 1H2016 to 24.6% in 1H2017.

8.1.3 *Other Income*

Other income increased by US\$0.1 million or 473.3%, from approximately US\$30,000 in 1H2016 to approximately US\$172,000 in 1H2017, mainly due to an increase in grants received from a third party supplier in 1H2017.

8.1.4 *Distribution Cost*

Our distribution cost increased by US\$0.3 million or 39.4%, from US\$0.7 million in 1H2016 to US\$1.0 million in 1H2017, mainly due to higher freight and transportation costs.

8.1.5 *Administrative Expenses*

Our administrative expenses increased by US\$0.5 million or 21.3%, from US\$2.1 million in 1H2016 to US\$2.6 million in 1H2017, mainly due to higher professional and directors' fees incurred in conjunction with the initial public offering of the Company ("**IPO**") and higher staff payroll costs, partially offset by foreign exchange gain in 1H2017 arising from translation differences on the Singapore dollar denominated liabilities being mainly trade and other payables.

8.1.6 *Profit before Tax ("**PBT**")*

Our PBT increased by US\$1.1 million or 33.9%, from US\$3.3 million in 1H2016 to US\$4.4 million in 1H2017. This was mainly due to increases in revenue and gross profit, partially offset by increases in distribution cost and administrative expenses.

8.1.7 *Income Tax Expenses*

Income tax increased by US\$0.2 million or 34.9%, from US\$0.5 million in 1H2016 to US\$0.7 million in 1H2017. This was mainly due to higher PBT in 1H2017.

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 30 June 2017, current assets amounted to US\$34.9 million or 93.6% of our total assets. Trade receivables was the largest component of our current assets, accounting for US\$17.1 million or 49.1% of our current assets. Cash and cash equivalents accounted for US\$12.0 million or 34.5% of our current assets. Inventories accounted for US\$5.5 million or 15.7% 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\$0.2 million.

Current assets increased by US\$3.1 million from US\$31.8 million as at 31 December 2016 to US\$34.9 million as at 30 June 2017. The increase was mainly due to an increase in (i) trade receivables of US\$4.4 million due to higher credit terms extended to our largest customer – PT Pacific Lubritama Indonesia ("**PLI**"); and (ii) inventories of US\$1.0 million due to higher storage of raw materials. The increase was partially offset by a decrease in cash and cash equivalents of US\$2.2 million.

8.2.2 *Non-Current Assets*

Non-current assets comprise of property, plant and equipment, club membership and investment in joint venture.

As at 30 June 2017, non-current assets amounted to US\$2.4 million or 6.4% of our total assets.

Property, plant and equipment amounted to US\$2.2 million or 93.4% of our non-current assets, comprising mainly leasehold property, machinery and equipment, motor vehicles, renovation, and construction-in-progress. Investment in joint venture amounted to US\$0.1 million or 3.5% 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 30 June 2017, current liabilities amounted to US\$16.7 million or 99.2% of our total liabilities.

Current liabilities increased by US\$0.5 million from US\$16.2 million as at 31 December 2016 to US\$16.7 million as at 30 June 2017. The increase was mainly due to an increase in short-term bank borrowings of US\$3.8 million for working capital requirements. The increase was partially offset by a decrease in (i) trade payables of US\$2.8 million mainly due to lower trade payables owing to suppliers with credit terms; and (ii) other payables of US\$0.5 million due to lower accrued operating expenses.

8.2.4 *Non-Current Liability*

Non-current liability comprises deferred tax liability. As at 30 June 2017, deferred tax liability amounted to US\$0.1 million, which remains unchanged from the balance as at 31 December 2016.

8.2.5 *Equity*

As at 30 June 2017, equity amounted to US\$20.5 million which comprises of share capital, merger reserve and retained earnings. The increase of US\$2.6 million in equity was due to recognition of profit for the period of US\$3.6 million, partially offset by the final dividend of US\$1.0 million for the financial year ended 31 December 2016 which was paid during 1H2017.

Review of Statements of Cash Flows

In 1H2017, we generated net cash from operating activities before changes in working capital of US\$4.5 million. Net cash used in working capital amounted to US\$8.6 million. This was mainly due to (i) increase in trade receivables of US\$4.4 million; (ii) increase in inventories of US\$1.0 million; (iii) decrease in trade payables of US\$2.8 million; and (iv) decrease in other payables of US\$0.5 million. The Group paid income tax of US\$0.7 million in 1H2017. The net cash used in operating activities amounted to US\$4.8 million in 1H2017.

Net cash used in investing activities of US\$0.2 million in 1H2017 was mainly due to purchase of property, plant and equipment.

Net cash from financing activities of US\$3.4 million in 1H2017 was mainly due to the proceeds from bank borrowings of US\$18.5 million and decrease in pledged fixed deposits of US\$0.6 million, partially offset by the repayment of bank borrowings of US\$14.8 million and the dividend payment of US\$1.0 million.

As a result of the above, there was a net decrease of US\$1.6 million in our cash and cash equivalents, from US\$12.2 million as at 1 January 2017 to US\$10.6 million as at 30 June 2017.

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.

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. The Group will continue to remain cautious in our operational and investment approach and strive to manage our financial resources prudently and efficiently.

The Group has in July 2017 completed the acquisition of PT Pacific Lubritama Indonesia. Meanwhile, the Group had on 11 July 2017 announced the signing of non-binding memorandum of understanding (the "MOU") with M-TechX Group, to explore the possibility of setting up a joint venture business. The Group has commenced discussions and due diligence with M-TechX Group 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?

1H2017	
Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend per share	0.5 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)
Total number of issued shares as at the date of this announcement (excluding treasury shares)	316,211,360
Total amount payable	S\$1.58 million (or approximate US\$1.14 million)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

1H2016	
Name of Dividend	Interim Dividend
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 paid	S\$1.4 million (or approximate US\$1.0 million)

(c) Date payable

The interim dividend of 0.5 Singapore cents per share in respect of the financial period ended 30 June 2017 will be paid on 5 September 2017.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 22 August 2017 for the purpose of determining member's entitlements to the proposed interim dividend. Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 21 August 2017 will be registered to determine member's entitlement to the proposed interim dividend. 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 21 August 2017 will be entitled to the proposed interim dividend. In respect of shares in securities accounts with CDP, the interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim 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.

The Group has an existing general mandate from shareholders for interested person transactions 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, and renewed at the annual general meeting held on 27 April 2017.

During the 1H2017, interested person transactions exceeding S\$100,000 in aggregate under review are disclosed as follows:

	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate) (US\$'000)	Aggregate value of all interested person transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000) (US\$'000)
<u>Transactions with PLI</u>		
Sale of base oils	-	14,484
Sale of additives	-	2,456
Sale of finished products (lubricants)	-	273
Purchase of processed additives	-	1,486
Purchase of finished products (lubricants)	-	647

As stated in the circular dated 6 June 2017 for the proposed acquisition of 95% of total issued and paid-up shares of PLI ("**Proposed Acquisition**"), upon completion of the Proposed Acquisition, the transactions entered into between the Group and PLI will no longer be considered as interested person transactions. The completion of the Proposed Acquisition has taken place on 20 July 2017. Accordingly, the Group will no longer be required to adhere to the guidelines and review procedures imposed under the Shareholder's Mandate for the transactions entered into with PLI with effect from 20 July 2017.

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results for the six-months financial period ended 30 June 2017 to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD OF DIRECTORS

Tan Thuan Hor, Jacky
Executive Director / Chief Executive Officer

10 August 2017