
UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("4Q") 2019

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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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Background

United Global Limited (together with its subsidiaries, 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" 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.

Accounting for UOC Group Post-Disposal

The Company has on 26 November 2019, disposed its 40% equity stake, comprising 14,959,600 shares in the Company's wholly-owned principal subsidiary, United Oil Company Pte. Ltd. ("UOC") to Repsol Downstream Internacional S.A. ("Repsol Downstream") ("Disposal"), a subsidiary of Repsol S.A. ("Repsol"), an international oil and gas company listed on the Madrid Stock Exchange.

As at completion of disposal, UOC ceased to be a subsidiary and is considered a joint venture of the Group in accordance with SFRS (I) 11 *Joint Arrangements* ("SFRS(I) 11"). As a result, the Group de-consolidated UOC and its subsidiary, PT Pacific Lubritama Indonesia ("PLI") and Ichiro Corporation Co., Ltd ("ICHIRO"), (collectively known as "UOC Group") from its consolidated statements of financial position.

The Group recorded its first 11-months contribution from UOC Group in the consolidated statements of profit or loss and other comprehensive income as a subsidiary. Post-Disposal, the Group reported its interest in UOC group for the month of December 2019 as a line item in the profit and loss statements as "Share of profit of joint ventures" and a corresponding entry in the balance sheet as "Investment in joint ventures".

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			Group			Ref
	Three months ended		Increase/ (Decrease) %	Twelve months ended		Increase/ (Decrease) %	
	Unaudited 4Q2019 US\$'000	Unaudited 4Q2018 US\$'000		Unaudited 12M2019 US\$'000	Audited 12M2018 US\$'000		
Revenue	15,502	26,029	(40.4%)	102,471	108,472	(5.5%)	8.1.1
Cost of sales	(11,655)	(20,668)	(43.6%)	(82,768)	(87,992)	(5.9%)	8.1.2
Gross profit	3,847	5,361	(28.2%)	19,703	20,480	(3.8%)	8.1.2
Other income	62,250	76	>100%	62,828	301	>100%	8.1.3
Distribution cost	(425)	(697)	(39.0%)	(2,332)	(2,902)	(19.6%)	8.1.4
Administrative expenses	(6,033)	(1,443)	>100%	(11,700)	(8,158)	43.4%	8.1.5
Other expenses	(9)	(20)	(55.0%)	(61)	(81)	(24.7%)	8.1.6
Share of profit of joint ventures	199	19	>100%	4	42	(90.5%)	8.1.7
Finance costs	(15)	(58)	(74.1%)	(188)	(264)	(28.8%)	
Profit before tax	59,814	3,238	>100%	68,254	9,418	>100%	8.1.8
Income tax expense	(274)	(582)	(52.9%)	(1,709)	(1,738)	(1.7%)	8.1.9
Profit for the period/year	59,540	2,656	>100%	66,545	7,680	>100%	
<i>Other comprehensive income:</i>							
Currency translation differences arising from consolidation	98	499	(80.4%)	480	(1,125)	NM	
Reclassification of currency translation reserve upon de-consolidation of subsidiaries	872	-	NM	872	-	NM	
Remeasurement of defined benefit obligations	14	(14)	NM	14	(14)	NM	
Share of other comprehensive income of joint ventures	167	-	NM	167	-	NM	
Total comprehensive income for the period/year	60,691	3,141	>100%	68,078	6,541	>100%	
Profit attributable to:							
Equity holders of the Company	59,517	2,615	>100%	66,463	7,599	>100%	
Non-controlling interests	23	41	(43.9%)	82	81	1.2%	
	59,540	2,656	>100%	66,545	7,680	>100%	
Total comprehensive income attributable to:							
Equity holders of the Company	60,662	3,075	>100%	67,977	6,517	>100%	
Non-controlling interests	29	66	(56.1%)	101	24	>100%	
	60,691	3,141	>100%	68,078	6,541	>100%	

NM : Not meaningful

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

	Group			Group		
	Three months ended (Unaudited)			Twelve months ended (Unaudited) (Audited)		
	4Q2019 US\$'000	4Q2018 US\$'000	Change %	FY2019 US\$'000	FY2018 US\$'000	Change %
Charging / (crediting):-						
Allowance for impairment loss of trade receivables	(47)	50	NM	(47)	50	NM
Allowance for impairment loss of other receivables	1,056	-	NM	1,056	-	NM
Amortisation of customer relationships	18	26	(30.8%)	96	105	(8.6%)
Bad debts written off	96	-	NM	96	-	NM
Depreciation of property, plant and equipment	212	235	(9.8%)	988	774	27.6%
Depreciation of investment properties	9	1	>100%	61	62	(1.6%)
Foreign exchange (gain)/loss, net	(12)	(327)	(96.3%)	(235)	788	NM
Loss/(gain) on disposal of property, plant and equipment	6	(11)	NM	6	(13)	NM
Loss on disposal of investment properties	-	-	-	12	-	NM
Gain on disposal of joint ventures	-	-	-	(13)	-	NM
Gain on de-consolidation of subsidiaries	(24,803)	-	NM	(24,803)	-	NM
Gain on re-measurement of remaining stakes in joint ventures	(37,205)	-	NM	(37,205)	-	NM
Interest income	(43)	(2)	>100%	(84)	(52)	61.5%
Interest expense	15	58	(74.1%)	188	264	(28.8%)
Property, plant and equipment written off	12	-	NM	12	-	NM
(Over)/under provision of current tax in prior years	(40)	66	NM	(40)	66	NM
Over provision of deferred tax in prior years	(5)	-	NM	(5)	-	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 31.12.2019 US\$'000	Audited 31.12.2018 US\$'000		Unaudited 31.12.2019 US\$'000	Audited 31.12.2018 US\$'000
ASSETS					
Current assets					
Cash and bank balances	39,775	7,536		39,656	530
Trade receivables	2	18,531		-	-
Other receivables	12,786	3,319		13,385	9,134
Tax recoverable	-	713		-	-
Inventories	185	15,073		-	-
Total current assets	52,748	45,172	8.2.1	53,041	9,664
Non-current assets					
Other receivables	-	1,000		-	-
Property, plant and equipment	2,822	10,328		360	271
Investment properties	-	1,855		-	-
Intangible assets	-	653		-	-
Investment in subsidiaries	-	-		420	14,251
Investment in joint ventures	54,248	569		8,299	-
Deferred tax assets	6	118		-	-
Total non-current assets	57,076	14,523	8.2.2	9,079	14,522
TOTAL ASSETS	109,824	59,695		62,120	24,186
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	-	7,145		-	-
Lease liabilities	36	37		36	33
Trade payables	6	4,818		-	-
Other payables	6,437	5,835		4,209	742
Amount due to director	-	2,240		-	-
Current tax payable	1	1,326		1	16
Total current liabilities	6,480	21,401	8.2.3	4,246	791
Non-current liabilities					
Lease liabilities	77	111		77	111
Retirement benefits obligations	-	476		-	-
Deferred tax liabilities	-	344		-	6
Total non-current liabilities	77	931	8.2.4	77	117
Equity					
Share capital	21,425	21,425		21,425	21,425
Reserves	(2,988)	(4,495)		-	-
Retained earnings	84,830	19,522		36,372	1,853
Equity attributable to owners of the Company	103,267	36,452		57,797	23,278
Non-controlling interests	-*	911		-	-
Total equity	103,267	37,363	8.2.5	57,797	23,278
TOTAL EQUITY AND LIABILITIES	109,824	59,695		62,120	24,186

*Represents amount 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:

	Group	
	Unaudited	Audited
	As at	As at
	31.12.2019	31.12.2018
	US\$'000	US\$'000
- Total bank borrowings		
Amount repayable in one year or less, or on demand (secured and guaranteed)	36	7,182
Amount repayable after one year (secured and guaranteed)	77	111
Total	113	7,293

The Group does not have any unsecured borrowings and debt securities as at 31 December 2018 and 31 December 2019.

Details of any collaterals:

The Group's borrowings as at 31 December 2019 comprise of lease liabilities. Lease liabilities are secured against the respective motor vehicles.

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		Group	
	Unaudited 4Q2019 US\$'000	Unaudited 4Q2018 US\$'000	Unaudited 12M2019 US\$'000	Audited 12M2018 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	59,814	3,238	68,254	9,418
Adjustments for:				
Share of profit of joint ventures	(199)	(19)	(4)	(42)
Depreciation of property, plant and equipment	212	235	988	774
Property, plant and equipment written off	12	-	12	-
Loss/(gain) on disposal of property, plant and equipment	6	(11)	6	(13)
Gain on disposal of joint ventures	-	-	(13)	-
Loss on disposal of investment properties	-	-	12	-
Gain on de-consolidation of subsidiaries	(24,803)	-	(24,803)	-
Gain on on re-measurement of remaining stakes in joint ventures	(37,205)	-	(37,205)	-
Depreciation of investment properties	9	1	61	62
Amortisation of intangible assets	18	26	96	105
Interest expense	15	58	188	264
Interest income	(43)	(2)	(84)	(52)
Allowance for impairment loss of trade receivables	(47)	50	(47)	50
Allowance for impairment loss of other receivables	1,056	-	1,056	-
Bad debts written off	96	-	96	-
Operating cash flows before movements in working capital	(1,059)	3,576	8,613	10,566
Trade receivables	4,569	145	5,732	482
Other receivables	(3,089)	(337)	(2,961)	(480)
Trade payables	142	(1,325)	(120)	(1,842)
Other payables	3,347	(628)	2,898	163
Inventories	2,401	656	8,783	(2,009)
Cash generated from operations	6,311	2,087	22,945	6,880
Income tax paid	(31)	(252)	(1,666)	(2,357)
Interest received	43	2	84	52
Interest paid	(15)	(58)	(188)	(264)
Net cash from operating activities	6,308	1,779	21,175	4,311

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)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Group		Group	
	Unaudited 4Q2019 US\$'000	Unaudited 4Q2018 US\$'000	Unaudited 12M2019 US\$'000	Audited 12M2018 US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investment in joint ventures	279	-	298	-
Net proceeds from disposal of subsidiaries	24,746	-	24,746	-
Proceeds from disposal of property, plant and equipment	151	116	226	116
Proceeds from disposal of investment properties	367	-	879	-
Purchase of property, plant and equipment	(113)	(37)	(246)	(705)
Purchase of investment properties	-	(107)	-	(107)
Acquisition on investment in joint ventures	-	(225)	-	(348)
Advances to joint venture	(632)	-	(3,829)	(1,000)
Net cash from/(used in) investing activities	24,798	(253)	22,074	(2,044)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank borrowings	2,244	6,140	39,726	30,809
Repayments of bank borrowings	(3,269)	(7,045)	(45,909)	(32,614)
Repayments of lease liabilities	(6)	(14)	(36)	(60)
Increase in pledged fixed deposits	-	-	(29)	(20)
Repayment of loan from a director	-	-	(2,240)	-
Dividend paid	-	-	(1,162)	(2,835)
Net cash used in financing activities	(1,031)	(919)	(9,650)	(4,720)
Net increase/(decrease) in cash and cash equivalents	30,075	607	33,599	(2,453)
Effect of exchange rate changes on cash and cash equivalents	54	230	96	(585)
Cash and cash equivalents at beginning of period/year	9,646	5,243	6,080	9,118
Cash and cash equivalents at end of period/year	39,775	6,080	39,775	6,080
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	1,249	6,011	1,249	6,011
Fixed deposits	38,526	1,525	38,526	1,525
	39,775	7,536	39,775	7,536
Less: Restricted cash (pledged fixed deposits)	-	(1,456)	-	(1,456)
Cash and cash equivalents per consolidated statements of cash flows	39,775	6,080	39,775	6,080

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

Group	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2018	21,425	(3,156)	7	(264)	14,758	32,770	887	33,657
Profit for the period	-	-	-	-	4,984	4,984	40	5,024
Other comprehensive loss	-	-	-	(1,542)	-	(1,542)	(82)	(1,624)
Total comprehensive (loss)/income for the period	-	-	-	(1,542)	4,984	3,442	(42)	3,400
<i>-Transaction with owners, recognised directly in equity:</i>								
Dividends paid to owners of the Company	-	-	-	-	(2,835)	(2,835)	-	(2,835)
Balance at 30 September 2018	21,425	(3,156)	7	(1,806)	16,907	33,377	845	34,222
Profit for the period	-	-	-	-	2,615	2,615	41	2,656
Other comprehensive (loss)/income	-	-	(14)	474	-	460	25	485
Total comprehensive (loss)/income for the period	-	-	(14)	474	2,615	3,075	66	3,141
Balance at 31 December 2018	21,425	(3,156)	(7)	(1,332)	19,522	36,452	911	37,363

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2019	21,425	(3,156)	(7)	(1,332)	19,522	36,452	911	37,363
Profit for the period	-	-	-	-	6,946	6,946	59	7,005
Other comprehensive income	-	-	-	369	-	369	13	382
Total comprehensive income for the period	-	-	-	369	6,946	7,315	72	7,387
<i>-Transaction with owners, recognised directly in equity:</i>								
Dividends paid to owners of the Company	-	-	-	-	(1,162)	(1,162)	-	(1,162)
Arising from acquisition of a subsidiary	-	-	-	-	-	-	1	1
Balance at 30 September 2019	21,425	(3,156)	(7)	(963)	25,306	42,605	984	43,589
Profit for the period	-	-	-	-	59,517	59,517	23	59,540
Other comprehensive income	-	-	19	1,126	-	1,145	6	1,151
Total comprehensive income for the period	-	-	19	1,126	59,517	60,662	29	60,691
Reclassification of pension reserve to retained earnings upon disposal of subsidiaries	-	-	(7)	-	7	-	-	-
<i>-Transaction with owners, recognised directly in equity:</i>								
Disposal of ownership interest in subsidiaries	-	-	-	-	-	-	(1,013)	(1,013)
Balance at 31 December 2019	21,425	(3,156)	5	163	84,830	103,267	-*	103,267

*Represents amount less than US\$1,000

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)

	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company								
Balance at 1 January 2018	21,425	-	-	-	1,817	23,242	-	23,242
Profit for the period, representing total comprehensive income for the period	-	-	-	-	1,322	1,322	-	1,322
<i>-Transaction with owners, recognised directly in equity:</i>								
Dividends paid to owners of the Company	-	-	-	-	(2,835)	(2,835)	-	(2,835)
Balance at 30 September 2018	21,425	-	-	-	304	21,729	-	21,729
Profit for the period, representing total comprehensive income for the period	-	-	-	-	1,549	1,549	-	1,549
<i>-Transaction with owners, recognised directly in equity:</i>								
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-
Balance at 31 December 2018	21,425	-	-	-	1,853	23,278	-	23,278

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)

	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company								
Balance at 1 January 2019	21,425	-	-	-	1,853	23,278	-	23,278
Profit for the period, representing total comprehensive income for the period	-	-	-	-	9,762	9,762	-	9,762
<i>-Transaction with owners, recognised directly in equity:</i>								
Dividends paid to owners of the Company	-	-	-	-	(1,162)	(1,162)	-	(1,162)
Balance at 30 September 2019	21,425	-	-	-	10,453	31,878	-	31,878
Profit for the period, representing total comprehensive income for the period	-	-	-	-	25,919	25,919	-	25,919
Balance at 31 December 2019	21,425	-	-	-	36,372	57,797	-	57,797

- 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, 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.**

During the twelve months financial year ended 31 December 2019, there has been no change in the issued and paid-up share capital of the Company. There is also no outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

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 31 December 2019 and 31 December 2018.

- 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 shares (excluding treasury shares) as at 31 December 2019 was 316,211,360 (as at 31 December 2018: 316,211,360).

- 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 2019.

- 1(d)(v) A statement showing all sales, transfers, disposal, 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 year ended and as at 31 December 2019.

- 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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern. For the avoidance of doubt, if an issuer receives a modified opinion due to various factors (one of which relates to going concern), the updates and confirmation required above will only be applicable to the other factors excluding going concern issues.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2018 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 2018.

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.

The accounting policies applied for the financial statements for the year ended 31 December 2019 are same as those disclosed in the audited financial statements for the year ended 31 December 2018, except for the changes in accounting policies due to the application of SFRS(I) 16 *Leases* and SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*. Please refer to Note 2 of the audited financial statements for the year ended 31 December 2018 for further details on the effects arising from the application of SFRS(I) 16 *Leases* and SFRS(I) INT 23 *Uncertainty over Income Tax Treatments* for financial year ended 31 December 2019.

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.

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2019 and 31 December 2018.

	Group			
	4Q2019	4Q2018	FY2019	FY2018
Earnings per ordinary share for the financial year				
(i) Based on weighted average number of ordinary shares in issue (US\$ cents)	18.8 cents	0.8 cents	21.0 cents	2.4 cents
(ii) On fully diluted basis (US\$ cents)	18.8 cents	0.8 cents	21.0 cents	2.4 cents
Weighted average number of shares (in '000)	316,211	316,211	316,211	316,211

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 31.12.2019	As at 31.12.2018	As at 31.12.2019	As at 31.12.2018
Net asset value (US\$'000)	103,267	36,452	57,797	23,278
Number of ordinary share in issue (in '000)	316,211	316,211	316,211	316,211
Net asset value per ordinary share (US\$ cents)	32.7 cents	11.5 cents	18.3 cents	7.4 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>	4Q2019 US\$'000	4Q2018 US\$'000	Q-Q	FY2019 US\$'000	FY2018 US\$'000	Y-Y
			Change Increase/ (Decrease) %			Change Increase/ (Decrease) %
Manufacturing	14,950	24,759	(39.6)	83,380	105,032	(20.6)
Trading	552	1,270	(56.5)	19,091	3,440	>100
Group	15,502	26,029	(40.4)	102,471	108,472	(5.5)

For the FY2019, the revenue decreased by US\$6.0 million or 5.5%, from US\$108.5 million in FY2018 to US\$102.5 million in FY2019. This was due to disposal of both UOC and PLI during the year and decrease in revenue for the manufacturing business segment. However, the decrease was partially offset by an increase in revenue for the trading business segment.

Manufacturing

For FY2019, revenue from our manufacturing business segment decreased mainly due to a decrease in sales volume. The decrease in revenue was partially offset by an increase in our average selling price. The lower sales volume was mainly attributable to the slower business in our Indonesia plant.

Trading

For FY2019, revenue from our trading business segment increased was mainly due to an increase in sales volume during the year as for the interim, as an one-off arrangement, goods exported to joint venture partner was procured by the Group and hence recorded in the trading segment until the financing arrangement in the joint venture entity is put in place.

Geographical analysis

Geographically, the decrease in revenue was mainly attributable to a decrease in revenue contribution from Singapore, Malaysia, Greater China, Oceania Countries and Indonesia of US\$1.9 million, US\$1.6 million, US\$4.2 million, US\$1.9 million, and US\$17.9 million respectively in FY2019.

Revenue from Indonesia decreased by US\$17.9 million or 41.7% in FY2019, mainly due to the slower business in our Indonesia plant. Revenue from Greater China decreased by US\$4.2 million or 35.3% in FY2019, mainly due to decrease in manufacturing revenue as a result of lower sales volume.

Revenue from Other Asia countries increased by US\$21.1 million or 163.0% in FY2019, mainly due to one-off trading segment sales exported to joint venture partner which is located at the Philippines.

8.1.2 *Cost of Sales and Gross Profit*

	4Q2019	4Q2018	Q-Q Change Increase/ (Decrease) %	FY2019	FY2018	Y-Y Change Increase/ (Decrease) %
<u>Gross profit</u>	US\$'000	US\$'000		US\$'000	US\$'000	
Manufacturing	3,710	5,267	(29.6)	19,278	20,147	(4.3)
Trading	137	94	45.7	425	333	27.6
Group	<u>3,847</u>	<u>5,361</u>	<u>(28.2)</u>	<u>19,703</u>	<u>20,480</u>	<u>(3.8)</u>

	4Q2019	4Q2018	FY2019	FY2018
<u>Gross profit margin</u>	%	%	%	%
Manufacturing	24.8	21.3	23.1	19.2
Trading	24.8	7.4	2.2	9.7
Group	24.8	20.6	19.2	18.9

For FY2019, cost of sales decreased by US\$5.2 million or 5.9%, from US\$88.0 million in FY2018 to US\$82.8 million in FY2019. This was mainly due to decrease in the cost of raw materials which is in line with the decrease in revenue.

Our overall gross profit decreased by US\$0.8 million or 3.8%, from US\$20.5 million in FY2018 to US\$19.7 million in FY2019.

Our overall gross profit margin increased by 0.3 percentage point, from 18.9% in FY2018 to 19.2% in FY2019 mainly due to higher gross profit margin from our manufacturing business segment, due to the lower raw materials cost in FY2019. The Group recorded a 7.5 percentage point decrease in gross profit margin for our trading business segment, from 9.7% in FY2018 to 2.2% in FY2019, mainly due to lower average selling price for this business segment during the year.

8.1.3 *Other Income*

Our other income increased by US\$62.5 million, from approximately US\$0.3 million in FY2018 to US\$62.8 million in FY2019, which was mainly due to gain on disposal of subsidiaries of US\$24.8 million and gain on re-measurement of remaining stakes in joint ventures of US\$37.2 million.

8.1.4 *Distribution Cost*

Our distribution cost decreased by US\$0.6 million or 19.6%, from US\$2.9 million in FY2018 to US\$2.3 million in FY2019, mainly due to lower freight and transportation costs in line with the decrease in volume during the year.

8.1.5 *Administrative Expenses*

Our administrative expenses increased by US\$3.5 million or 43.4%, from US\$8.2 million in FY2018 to US\$11.7 million in FY2019, mainly due to higher bonus payouts as a result of higher profit and allowance for doubtful debt of US\$1.1 million due to the uncertainty on the recoverability of the other receivables. The increase was partially offset by foreign exchange gain in FY2019 amounting to US\$0.2 million instead of foreign exchange loss of US\$0.8 million in FY2018, that arose from translation differences on the United States Dollars denominated liabilities, on mainly trade and other payables, to the functional currency of each group entity.

8.1.6 *Other Expenses*

Other expenses in current year comprise of depreciation of investment properties held by our Indonesia plant.

8.1.7 *Share of profit of joint ventures*

Our share of profit of joint ventures included share of profit from UOC group of US\$0.3 million for the month of December 2019 due to the de-consolidation of UOC group and it been accounted for as joint venture following the Disposal.

8.1.8 *Profit before Tax ("PBT")*

Our PBT increased by US\$58.8 million, from US\$9.4 million in FY2018 to US\$68.3 million in FY2019. This was mainly due to an increase in other income as a result of gain on disposal of UOC group and gain on re-measurement of remaining stakes in joint venture.

8.1.9 *Income Tax Expense*

Income tax expense remain comparable to previous financial year despite the increase in PBT as the gain on disposal of subsidiaries is a non-taxable income.

Review of Statements of Financial Position

8.2.1 *Current Assets*

Current assets increased by US\$7.6 million from US\$45.2 million as at 31 December 2018 to US\$52.7 million as at 31 December 2019. The increase was mainly due to an increase in (i) cash and bank balances of US\$32.2 million; and (ii) other receivables of US\$9.5 million. The increase of other receivables was mainly due to (a) advances made to a joint venture of US\$3.9 million for working capital purpose, with an allowance of US\$1.1 million provided on the receivables due to the uncertainty of the recoverability of the receivables; (b) amount owing from a joint venture partner of US\$3.5 million due to the financing of the cargos provided by the Group for the joint venture business purpose; (c) additional consideration of US\$3.0 million to be received from Repsol for the disposal of UOC Group arising from the finalisation of the completion accounts and; (d) reclassification of non-current receivable to current receivables of shareholder's loan to joint venture of US\$1.0 million. As a result of de-consolidation of UOC Group, the increase was partially offset by a decrease in (i) trade receivables of US\$18.5 million; and (ii) inventories of US\$14.9 million.

8.2.2 *Non-Current Assets*

Non-current assets increased by US\$42.6 million from US\$14.5 million as at 31 December 2018 to US\$57.1 million as at 31 December 2019. The increase was mainly due to an increase in investment in joint ventures of US\$53.7 million mainly due to re-measurement of remaining stake to the fair value in a joint venture which was previously a subsidiary of the Group. The increase was partially offset by (i) reclassification of non-current receivable to current receivables of shareholder's loan to joint venture of US\$1.0 million; and (ii) a decrease in property, plant and equipment of US\$7.5 million and a decrease in investment properties of US\$1.9 million as a result of de-consolidation of subsidiaries.

8.2.3 *Current Liabilities*

Current liabilities decreased by US\$14.9 million from US\$21.4 million as at 31 December 2018 to US\$6.5 million as at 31 December 2019. As a result of de-consolidation of subsidiaries, the decrease was mainly due to a decrease in (i) bank borrowings of US\$7.1 million; (ii) tax payable of US\$1.3 million; and (iii) trade payables of US\$4.8 million. There was also a full repayment of loan from a director of US\$2.2 million during the year. The decrease was partially offset by an increase in other payables of US\$0.6 million due to an increase in accrual for bonuses.

8.2.4 *Non-Current Liabilities*

Non-current liabilities decreased by US\$854,000 from US\$931,000 as at 31 December 2018 to US\$77,000 as at 31 December 2019. As a result of de-consolidation of subsidiaries, the decrease was mainly due to a decrease in (i) retirement benefits obligations of US\$0.5 million and (ii) deferred tax liabilities of US\$0.3 million.

8.2.5 *Equity*

As at 31 December 2019, equity amounted to US\$103.3 million which comprises of share capital, other reserves, retained earnings and non-controlling interests. The increase of US\$66.8 million in equity was due to recognition of profit of US\$66.5 million for the period, partially offset by the dividend payment of US\$1.2 million.

Review of Statements of Cash Flows

In FY2019, net cash from operating activities before changes in working capital amounted to US\$8.6 million while net cash generated from working capital amounted to US\$14.3 million. This was mainly due to (i) decrease from trade receivables of US\$5.7 million; (ii) increase from other payables of US\$2.9 million; (iii) decrease from inventories of US\$8.8 million and (iv) partially offset by the increase in other receivables of US\$3.0 million and. The net cash from operating activities amounted to US\$21.2 million in FY2019.

Net cash from investing activities in FY2019 was mainly due to (i) net cash received from disposal of subsidiaries of US\$24.7 million, (ii) proceeds from disposal of joint ventures of US\$0.3 million, property plant and equipment of US\$0.2 million and investment properties of US\$0.9 million and partially offset by advances to a joint venture of US\$3.8 million for working capital purpose.

Net cash used in financing activities of US\$9.7 million in FY2019 was mainly due to (i) net repayment of bank borrowings of US\$6.2 million, (ii) repayment of loan from a director of US\$2.2 million and (iii) dividend of US\$1.2 million paid during the year.

The cash and cash equivalents amounted to US\$39.8 million as at 31 December 2019.

8.2.6 *Additional disclosure items for UOC Group*

The summarised financial information of the Group's significant joint venture namely UOC Group, based on its consolidated financial statements were as follows:

	Unaudited 31.12.2019 US\$'000
<u>Consolidated statement of financial position</u>	
Current assets	32,322
Cash and bank balances	10,631
Trade receivables	12,564
Inventories	8,026
Non-current assets	11,284
Current liabilities	14,201
Bank borrowings	2,571
Trade payables	5,064
Current financial liabilities	2,282
Non-current liability	826
Non-current financial liabilities	-
Total equity	28,579
	FY2019 US\$'000
<u>Consolidated statement of profit or loss and other comprehensive income</u>	
Revenue	109,604
Profit from the year	9,921
Other comprehensive income	794
Total comprehensive income	10,715
Dividend received from joint venture during the year	10,000
<u>The above profit and loss for the year include the following:</u>	
Depreciation and amortisation	1,060
Interest income	72
Interest expenses	370
Income tax expenses	1,903
<u>Other disclosure</u>	
Gross profit	21,640
Gross profit margin %	19.7%
Distribution cost	2,516
Administrative expenses	7,626

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 effects of the current COVID-19 outbreak are broad-based and will have an impact on the overall market environments. Under this environment, the Group will continue to be diligent and disciplined in controlling the costs as well as manage our raw materials costs.

On 26 November 2019, the Group announced the completion of the proposed disposal of 14,959,600 shares in UOC Group. UOC has ceased to be a subsidiary of the Company, and will be considered an entity jointly controlled by Company and Repsol Downstream Internacional S.A. The Group will now work towards integrating our business and products with Repsol.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

FY2019		
Name of Dividend	Final Dividend (Ordinary)	Final Dividend (Special)
Dividend Type	Cash	Cash
Dividend per share	1.2 Singapore cents per ordinary share	2.0 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)
Total number of issued shares as at the date of this announcement (excluding treasury shares)	316,211,360	316,211,360
Total amount payable	S\$3.8 million (or approximate US\$2.8 million)	S\$6.3 million (or approximate US\$4.6 million)

The Group declared a higher ordinary final dividend compared to previous year as the Group did not distribute interim dividend during FY2019.

The Group declared a special dividend as the Group delivered a net profit of US\$66.5 million for FY2019, boosted by gains from the partial divestment of UOC group to Repsol.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

FY2018		
Name of Dividend	Final Dividend (Ordinary)	Final Dividend (Special)
Dividend Type	Cash	N/A
Dividend per share	0.5 Singapore cents per ordinary share	N/A
Tax rate	Tax exempt (one-tier)	N/A
Total number of issued shares as at the date of this announcement (excluding treasury shares)	316,211,360	N/A
Total amount payable	S\$1.6 million (or approximate US\$1.2 million)	N/A

(c) Date payable

The final ordinary dividend of 1.2 and final special dividend of 2.0 Singapore cents per share in respect of the financial year ended 31 December 2019, if approved by the shareholders of the Company at the forthcoming Annual General Meeting of the Company to be held, will be paid on 21 May 2020.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 8 May 2020 for the purpose of determining member's entitlements to the proposed final 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 6 May 2020 will be registered to determine member's entitlement to the proposed final 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 6 May 2020 will be entitled to the proposed final dividend. In respect of shares in securities accounts with CDP, the final dividend will be paid by the Company to CDP which will, in turn, distribute the final dividend entitlements to such holders in accordance with its normal practice.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the group has obtained a general 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 not obtained any general mandate from shareholders for interested person transactions at the annual general meeting held on 30 April 2019.

During the FY2019, 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 Edy Wiranto (Non-executive Chairman) and his associates, and companies owned by Edy Wiranto and his associates</u>		
Sales of goods, services and rental income	82	-
Purchases of goods, service and rental cost	146	-

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

Not applicable to announcement of full-year results.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **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:

	Manufacturing		Trading		Total	
	FY2019 US\$'000	FY2018 US\$'000	FY2019 US\$'000	FY2018 US\$'000	FY2019 US\$'000	FY2018 US\$'000
Total revenue	83,380	105,032	19,091	3,440	102,471	108,472
Segment results	19,278	20,147	425	333	19,703	20,480
Allowance for doubtful debts of trade receivables					47	(50)
Allowance for doubtful debts of other receivables					(1,056)	-
Amortisation of intangible assets					(96)	(105)
Bad debts written off					(96)	-
Depreciation of plant and equipment (excluding machinery)					(164)	(166)
(Loss)/gain on disposal of plant and equipment					(6)	13
Gain on disposal of subsidiaries					24,803	-
Gain on re-measurement of remaining stakes in joint ventures					37,205	-
Interest income					84	52
Finance costs					(188)	(264)
Other unallocated expenses					(11,982)	(10,542)
Profit before tax					68,254	9,418
Income tax expense					(1,709)	(1,738)
Profit for the year					66,545	7,680

16. 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. (Continued)

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

	<u>FY2019</u> US\$'000	<u>FY2018</u> US\$'000
Based on location of customers		
Indonesia	24,976	42,834
Singapore	16,080	18,018
Other Asian countries	34,197	13,004
Greater China	7,653	11,832
Oceania countries	6,297	8,175
Malaysia	7,897	9,462
Myanmar	2,185	1,935
Others	3,186	3,212
Total	<u>102,471</u>	<u>108,472</u>

Information about major customers

In FY2019, the Group has only one major customer (FY2018: Nil) that had contributed more than 10 percent to the revenue of the group.

17. 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.

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

	<u>Group</u>		
	<u>FY2019</u> US\$'000	<u>FY2018</u> US\$'000	<u>Increase/ (decrease)</u> %
(a) Sales reported for first half year	63,285	55,501	14.0
(b) Operating profit after income tax for first half year	4,627	3,164	46.2
(c) Sales reported for second half year	39,186	52,971	(26.0)
(d) Operating profit after income tax reported for second half year	61,918	4,516	>100%

19. 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 2019 is 3.2 Singapore cents per share in cash (FY2018: 1.0 Singapore cents).

	FY2019	FY2018	Increase
	US\$'000	US\$'000	%
<i>(a) Ordinary</i>			
- Interim cash dividend (paid)	-	1,159	-100.00%
- Final cash dividend (proposed)	2,783	1,158	>100%
<i>(b) Special</i>			
- Final cash dividend (proposed)	4,640	-	NM
Total	7,423	2,317	>100%

NM : Not meaningful

Proposed final cash dividend of FY2019 estimated based on share capital of 316,211,360 ordinary shares (excluding treasury shares) at the end of the financial year, based on the estimated exchange rate of US\$1: S\$1.363.

20. 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	44	Brother of Jacky Tan Thuan Hor, Executive Director/ CEO of the Company	General Manager (Business Development) since 2018. He is responsible for assisting our executive directors in overseeing all operational aspects of the business, including business development.	No changes during the year.
Herry Defjan	50	Brother-in-law of Ety Wiranto, Executive Director of the Company, and Edy Wiranto, Non-Executive Chairman of the Company	Director of PLI since 2003 and UOC since 2019. Non-Executive Director of PLI and UOC. He assumes an advisory role and contributes to the setting of strategic direction of PLI and UOC.	Mr Herry Defjan appointed as Director of UOC with effect from November 2019.

BY ORDER OF THE BOARD OF DIRECTORS

Tan Thuan Hor, Jacky
Executive Director / Chief Executive Officer

28 February 2020