



MEDIA RELEASE

For Immediate Release

United Global posts FY2016 net profit of US\$5.6 million

- *Raised gross profit margin by 1.5 percentage points to 15.5% despite revenue dipping 8.3% to US\$91.5 million*
- *Pretax profit decreased 8.5% to US\$6.9 million due mainly to one-off IPO expenses of US\$0.6 million*
- *A final dividend of 0.5 Singapore cent is recommended. Together with the interim dividend of 0.5 Singapore cent paid out earlier in the year, the total dividend for FY2016 is 1.0 Singapore cent.*

| FY ended 31 December (US\$'000) | FY2016 | FY2015 | YoY Change |
|--|--------|--------|------------|
| Revenue | 91,542 | 99,860 | (8.3%) |
| Gross Profit | 14,229 | 13,936 | 2.1% |
| Profit Before Tax | 6,907 | 7,549 | (8.5%) |
| Net Profit Attributable to Equity Holders of the Company | 5,646 | 6,241 | (9.5%) |

SINGAPORE, 27 February 2017 – Catalyst-listed United Global Limited (“United Global” or the “Company”, and together with its subsidiary, the “Group”), an established, Singapore-based independent lubricant manufacturer and trader, today reported that its full-year net profit attributable to equity holders dipped 9.5% to US\$5.6 million, due mainly to a one-off charge for IPO expenses of approximately US\$616,000. Without this expense, its net profit for the year would have been marginally higher, at US\$6.3 million.

In the 12 months ended 31 December (“FY”) 2016, the Group chalked up revenue of US\$91.5 million, which was 8.3% lower year-on-year. This was largely due to a decrease in revenue from the trading business segment. The drop in revenue from the trading business

segment was mainly due to decrease in average selling price which was caused by the lower base oil prices globally, coupled with lower trading volume of lubricants.

However, thanks to the Group's efforts to manage costs, it managed to raise gross profit by 2.1% to US\$14.2 million while gross profit margins improved 1.5 percentage points to 15.5% year-on-year.

In the latest full-year results, the Group's earnings per share based on the weighted average number of ordinary shares in issue was 2.2 US cents.

Mr Jacky Tan, United Global's Executive Director and CEO, said: "We are gratified that we have managed to maintain our performance, despite FY2016 being a challenging year due to the many uncertainties in the global business landscape. During the year, our average selling prices dipped 7.7% due to the volatility in base oil prices which affected our revenue. Moving ahead, the outlook remains challenging, however, we will focus on gaining market share and keeping an eye on our margins and sales volume."

Dividend

The Directors have recommended a final dividend of 0.5 Singapore cent per ordinary share, which together with the interim dividend of 0.5 Singapore cent paid on 5 September 2016, represent a dividend payout of 36% of FY2016 net profit. The final dividend, if approved by shareholders at the forthcoming Annual General Meeting to be held in April 2017, will be paid on 19 May 2017.

Segment Review

| US\$'000 | FY2016 | FY2015 | YoY Change |
|--------------------------------|--------|--------|------------|
| <i>Manufacturing</i> | | | |
| Revenue | 50,742 | 50,766 | (0.1%) |
| Gross Profit | 12,040 | 12,302 | (2.1%) |
| Gross Profit Margin (%) | 23.7 | 24.2 | (0.5 ppt) |
| <i>Trading</i> | | | |
| Revenue | 40,800 | 49,094 | (16.9%) |
| Gross Profit | 2,189 | 1,634 | 34.0% |
| Gross Profit Margin (%) | 5.4 | 3.3 | 2.1 ppt |

Manufacturing

Revenue from the manufacturing segment remained constant year-on-year at US\$50.7 million. In FY2016, the manufacturing segment's average selling price declined by 7.8% as a result of lower base oil price, which affected revenue, but was offset by the 8.4% increase in sales volume due to the Group's closer collaboration with its distributors to promote its products, enhanced brand awareness and market penetration, as well as provision of value-added services to its OEM customers.

Gross profit margin was largely unchanged at 23.7%.

Trading

Revenue from the trading segment dipped by 16.9% to US\$40.8 million, impacted by the drop in base oil prices, as well as lower trading volume of lubricants. Sales volume and average selling price decreased by 5.7% and 11.9% respectively.

Gross profit margin jumped 2.1 percentage points to 5.4% in FY2016, as gross profit surged 34.0% to US\$2.2 million as a result of lower cost of purchase of base oils in FY2016.

Financial Position

The Group's financial position remains strong. As at 31 December 2016, the Group had net assets of US\$17.8 million, translating into a net asset value per share of 6.3 US cents, compared with 2.3 US cents as at 31 December 2015. Cash and cash equivalents increased to US\$14.3 million as at 31 December 2016, from US\$9.2 million as at 31 December 2015.

Outlook

Moving ahead, United Global will focus on achieving new levels of growth, particularly in its expansion into new markets despite the current market volatility and global economic uncertainties.

Business Updates

(i) Indonesia

On 15 August 2016, the Group announced the signing of a memorandum of understanding (“**MOU**”) to explore future collaboration opportunities and/or the possibility of the Group acquiring an equity interest in PT Pacific Lubritama Indonesia (“**PLI**”) with whom the Group has established a strategic collaboration since 2003. The Group is currently engaged in discussions with PLI, and the Group will keep shareholders updated of any material developments.

A manufacturer and trader of lubricants in Indonesia with almost twice the blending capacity of our Singapore plant, PLI also has storage tanks of up to 17,000 MT and a jetty for easy access for bulk shipments by vessels with cargo capacity of up to 12,000 MT. Since 2003, the Group has been selling raw materials such as base oils and additives to support PLI's manufacturing activities due to the Group's ability to derive greater cost savings from economies of scale of bulk purchasing.

The Group sees strategic partnerships as a vital part of its road map to higher levels of growth in the Asia Pacific markets.

(ii) Taiwan

On 5 December 2016, the subsidiary of the Company, United Oil Company Pte Ltd (“**United Oil**”), entered into a 35%/65% shareholders agreement with its Taiwan distributor Jin Wei Chuang Co. Ltd to incorporate a joint venture company in Taiwan to distribute lubricants of United Oil's in-house brands in Taiwan and trading of third party lubricants.

(iii) Myanmar

On 16 January 2017, it also announced a three-year Joint Operation Agreement with long-time customer, Lighthouse Enterprise Ltd, to promote, market, distribute and sell specialized lubricants products in Myanmar. This joint operation, the Group believes, will increase its presence in Myanmar and enable it to have greater access and first-hand knowledge of the market there.

-- End --

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

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

The contact person for the Sponsor is Ms. Lee Khai Yinn (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02, AIA Tower, Singapore 048542.

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

Issued on behalf of United Global Limited by:

Waterbrooks Consultants Pte Ltd

Tel: (+65) 6100 2228

Ho See Kim (M): +65 9631 3602 seekim@waterbrooks.com.sg

Angeline Cheong (M): +65 9666 0977 angeline@waterbrooks.com.sg

About United Global Limited (www.unitedgloballimited.com)

United Global Limited (“**United Global**” or the “**Company**”, together with its subsidiary, United Oil Company (the “**Group**”)) is an established independent lubricant manufacturer of a wide range of high quality, well-engineered products under our in-house brands such as “United Oil”, “U Star Lube” and “Bell1” as well as for third-party principals. Our other core business is in the trading of base oils, additives and lubricants. We provide a wide range of lubricants and specialty fluids for the automotive, industrial and marine applications as well as metal working fluids, with a wide distribution network covering over 30 countries and territories.

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

We own a 44,000MT lubricant blending facility and an in-house laboratory in Singapore. We were awarded the ISO 9001 certification for our quality management system in respect of the manufacture of lubricants by blending of base oils and additives.

Our strategic cooperations have also provided us with access to our partners' facilities in other countries.