

MEDIA RELEASE

For Immediate Release

United Global's FY2017 net profit jumps 62.5% to US\$9.2 million

- *Manufacturing segment lifted by maiden 6-month contribution from PLI (PT Pacific Lubritama Indonesia)*
- *A non-recurring negative goodwill arising from the acquisition of PLI*
- *Final dividend of 0.7 Singapore cent recommended. Together with the interim dividend of 0.5 Singapore cent paid out earlier in September 2017, the total dividend for FY2017 is 1.2 Singapore cent*

FY ended 31 December (US\$'000)	FY2017	FY2016	YoY Change
Revenue	99,825	91,542	9.0%
Gross Profit	18,507	14,229	30.1%
Profit Before Tax	10,604	6,907	53.5%
Net Profit Attributable to Equity Holders of the Company	9,172	5,646	62.5%

SINGAPORE, 28 February 2018 – Catalist-listed **United Global Limited** (“**United Global**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), an established, Singapore-based independent lubricant manufacturer and trader, announced today a jump of 62.5% in full-year net profit attributable to shareholders of US\$9.2 million.

This was achieved on the back of a 9.0% rise in Group revenue to US\$99.8 million, boosted by a 56.6% surge contributed by its Manufacturing segment, which was partially offset by a 50.1% dip from its Trading business largely due to the elimination of inter-group cross selling following the integration of PT Pacific Lubritama Indonesia (“**PLI**”) into the Group.

In the latest full-year results, the Group's earnings per share based on the weighted average number of ordinary shares in issue grew to 3.1 US cents, from 2.2 US cents for the financial year ended 31 December 2016 ("FY2016").

Dividend

The Directors have recommended a final dividend of 0.7 Singapore cent per ordinary share, which, together with the interim dividend of 0.5 Singapore cent paid on 5 September 2017, represent a total dividend payout of 30% of FY2017's net profit. The final dividend, if approved by shareholders at the forthcoming Annual General Meeting to be held on 30 April 2018, will be paid on 21 May 2018.

Segment Review

US\$'000	FY2017	FY2016	YoY Change
MANUFACTURING			
Revenue	79,478	50,741	56.6%
Gross Profit	17,097	12,039	42.0%
Gross Profit Margin (%)	21.5	23.7	(2.2 pts)
TRADING			
Revenue	20,347	40,801	(50.1%)
Gross Profit	1,410	2,190	(35.6%)
Gross Profit Margin (%)	6.9	5.4	1.5 pts

Manufacturing

Revenue from the manufacturing segment was uplifted by 56.6% to US\$79.5 million as sales volume jumped by 67.4%, buoyed by an increase in sales volume contributed by PLI after the acquisition of PLI in July 2017. However, the segment's average selling price ("ASP") decreased due to lower ASPs recorded by PLI's different product mix. As a result, the gross profit margin dipped by 2.2 percentage points to 21.5%.

Trading

The elimination of inter-group cross selling of base oil and additives between the Singapore plant and PLI led to a 50.1% decrease in Trading revenue to US\$20.3 million. This was evident by the 55.8% drop in Trading sales volume despite rise in ASP due to higher base oil prices during the year in review. The gross profit margin of this segment increased from 5.4% in FY2016 to 6.9% in FY2017 mainly due to lower cost of purchase of base oils.

Financial Position

The Group's financial position remains robust. As at 31 December 2017, the Group had net assets attributed to shareholders of the Company of US\$32.8 million, translating into a net asset value per share of 10.4 US cents, compared with 6.3 US cents a year ago. Cash and cash equivalents stood at US\$10.6 million as at 31 December 2017.

Outlook

Mr Jacky Tan, United Global's Executive Director and CEO, said: "We are pleased that with the successful completion of the acquisition of PLI, the integration of our operations in Singapore and Indonesia resulted in a much larger business with triple the blending capacity to power the Group's growth amidst volatility and uncertainties in the global business environment. Moving ahead, we will continue to focus on gaining market share and keeping an eye on our margins and sales volume."

Apart from growing its lubricants manufacturing/ trading business organically through its operations in Singapore and Indonesia, the Group sees partnerships and joint ventures as its strategy to accelerate business expansion.

In October 2017, the Group forged a joint venture with Japan's M-TechX Group to manufacture oil absorbing nano-fibre materials for various industrial and commercial industries in Singapore, Indonesia, Japan and the rest of the world. M-TechX Incorporated is the proprietor and sole owner of a new and exclusive technology for the mass production and commercialisation of nano-fibre, using *inter alia* a liquid atomization process to produce nano-fibres of various dimensions.

Nano-fibre is a fibrous material with a diameter range of between 1 nanometre ("nm") and 1000 nm, and possesses unique properties not present in conventional fibres. With its large specific surface area per unit mass, nano-fibres have properties such as high absorption, strong adhesion and high molecular recognition that are useful for a wide variety of industrial applications such as removing oil from grease traps, factories, construction sites; oil leaks at sea, liquid purification systems, and ship's ballast water purification systems.

The Group sees this as a unique opportunity to leverage on its extensive distribution channels in more than 30 countries to cross-market these super-absorbent nano-fibres.

Apart from the lubricants industry, it envisages that these nano-fibre products would also be well received by various industries in this region. Accordingly, it plans to focus its marketing efforts in Japan, Indonesia and Singapore.

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*This media release has been prepared by United Global Limited (the “**Company**”) and its contents have been reviewed by the Company's sponsor, SAC Capital 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.*

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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”, “Bell1” and “Ichiro” 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.

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 2 blending facilities in Singapore and Indonesia with a combined capacity of 140,000MT. 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 cooperation has also provided us with access to our partners’ facilities in other countries.