



MEDIA RELEASE

For Immediate Release

United Global posts US\$3.2M in 6M2018 net profit

- *Group revenue rose to US\$55.5M mainly due to contributions from recently-acquired Indonesian subsidiary*
- *Directors recommend interim dividend of 0.5 Singapore cent per ordinary share to be paid out on 5 September 2018*

(US\$'000)	2Q2018	2Q2017	Change	6M2018	6M2017	Change
Revenue	24,529	26,053	(5.8%)	55,501	45,815	21.1%
Gross Profit	3,981	4,304	(7.5%)	9,834	7,867	25.0%
Profit Before Tax	1,083	2,358	(54.1%)	3,926	4,365	(10.1%)
Profit for the period	898	1,964	(54.3%)	3,164	3,639	(13.1%)

SINGAPORE, 13 August 2018 – Catalyst-listed **United Global Limited** (“**United Global**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), an established, independent lubricant manufacturer and trader in Singapore and Indonesia, today reported that it has achieved a net profit attributable to shareholders of US\$3.2 million for the half-year ended 30 June 2018 (“**6M2018**”).

Group revenue in the six months jumped 21.1% to US\$55.5 million, buoyed by contributions from its Indonesian subsidiary, PT Pacific Lubritama Indonesia (“**PLI**”), which it acquired in July 2017.

On a quarterly basis, net profit after tax decreased by 54.3% to US\$898,000 for the three months ended 30 June 2018 (“**2Q2018**”) on a 5.8% dip in revenue to US\$24.5 million and higher administrative expenses. Higher administrative expenses were incurred due to the Group recording a foreign exchange loss of US\$400,000 in 2Q2018.

Dividend

The Directors have recommended an interim dividend of 0.5 Singapore cents per ordinary share, which will be paid on 5 September 2018.

Segment Review

US\$'000	2Q2018	2Q2017	QoQ Change	6M2018	6M2017	YoY Change
MANUFACTURING						
Revenue	24,112	13,562	77.8%	54,360	27,008	101.3%
Gross Profit	3,950	3,321	18.9%	9,727	6,640	46.5%
Gross Profit Margin (%)	16.4	24.5	(8.1ppt)	17.9	24.6	(6.7 ppt)
TRADING						
Revenue	417	12,491	(96.7%)	1,141	18,807	(93.9%)
Gross Profit	31	983	(96.8%)	107	1,227	(91.3%)
Gross Profit Margin (%)	7.4	7.9	(0.5ppt)	9.4	6.5	2.9 ppt

MANUFACTURING

Revenue from Manufacturing segment more than doubled for the first six months of FY2018 to US\$54.4 million while 2Q2018 sales increased by 77.8% to US\$24.1 million. This was mainly due to contributions from PLI, as well as growth in business volume from the Group's existing Singapore plant.

However, Manufacturing segment's average selling prices ("ASPs") were lower due to PLI's different product mix and more competitive pricing, resulting in gross profit margin declining by 6.7 percentage points to 17.9% in 6M2018 and 8.1 percentage points to 16.4% in 2Q2018.

TRADING

The elimination of inter-group cross selling of base oil and additives between the Group's Singapore plant and PLI had led to a decrease in revenue of 93.9% to US\$1.1 million in 6M2018 and 96.7% to US\$417,000 in 2Q2018.

Gross profit similarly saw a dip of 91.3% to US\$107,000 in 6M2018 and 96.8% to US\$31,000 in 2Q2018. However, its gross profit margin in 6M2018 jumped to 9.4% due mainly to higher base oil prices and ASP, while 2Q2018 gross profit margin slid marginally to 7.4%.

Financial Position

In its latest results, the Group's net asset value per ordinary share remained consistent, rising marginally from 10.4 US cents as at 31 December 2017, to 10.5 US cents as at 30 June 2018. Cash and cash equivalents (excluding fixed deposits and restricted cash balances) stood at US\$3.9 million as at 30 June 2018.

Said Mr Jacky Tan, United Global's Executive Director and CEO, "With a much bigger blending capacity in Singapore and Indonesia, we are well-positioned to tap the business opportunities in the Asia Pacific region despite the uncertainties in the global business environment. In such challenging conditions, we will continue to be disciplined in cost controls while continuing to explore for more acquisition and joint venture opportunities."

"We are pleased to report that our joint venture with Japan's M-TechX Group to produce oil-absorbing nano-fibre materials for various industries, has completed its trial production recently, and is scheduled to move on to mass production in the third quarter of this year," Mr Tan added.

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About United Global Limited (www.unitedgloballimited.com)

United Global Limited (“**United Global**” or the “**Company**”, together with its subsidiaries (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” 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.