

MEDIA RELEASE

For Immediate Release

United Global's 2Q earnings jumps 2.7 times to US\$2.4 million on higher Manufacturing margin

Period ended 30 June (US\$'000)	2Q2019	2Q2018	Change (%)	1H2019	1H2018	Change (%)
Revenue	39,439	24,529	60.8	63,285	55,501	14.0
Gross Profit	5,338	3,981	34.1	10,077	9,834	2.5
Profit Before Tax	2,889	1,083	>100	5,546	3,926	41.3
Profit attributable to shareholders	2,443	911	>100	4,589	3,138	46.2

SINGAPORE, 7 August 2019 – 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 announced that its net profit attributable to shareholders for the second quarter jumped 2.7 times to US\$2.4 million.

This was achieved on the back of Group revenue rising 60.8% to US\$39.4 million for the three months ended 30 June 2019, boosted by higher trading volume as the Group managed to secure a one-off opportunity to export goods to a joint venture partner.

At half time, the Group's net profit attributable to shareholders surged 46.2% to US\$4.6 million as Group revenue advanced 14.0% to US\$63.3 million.

Segment Review

US\$'000	2Q2019	2Q2018	Change (%)	1H2019	1H2018	Change (%)
MANUFACTURING						
Revenue	21,642	24,112	(10.2)	41,589	54,360	(23.5)
Gross Profit	5,090	3,950	28.9	9,751	9,727	0.2
Gross Profit Margin (%)	23.5	16.4	7.1 ppt	23.4	17.9	5.5 ppt
TRADING						
Revenue	17,797	417	>100	21,696	1,141	>100
Gross Profit	248	31	>100	326	107	>100
Gross Profit Margin (%)	1.4	7.4	(6.0 ppt)	1.5	9.4	(7.9 ppt)

MANUFACTURING

During the latest quarter, sales from Manufacturing dipped 10.2% to US\$21.6 million due to lower business volume generated by the Group's plant in Indonesia, despite achieving a higher average selling price.

However, due to lower raw materials cost, the Manufacturing segment achieved higher gross profit margin for the quarter, jumping 7.1 percentage points to 23.5%.

TRADING

Revenue from the Trading segment surged significantly to US\$17.8 million in 2Q2019 from US\$417,000 in 2Q2018 on higher Trading sales volume.

Gross profit similarly rose significantly to US\$248,000 in 2Q2019 from US\$31,000 in 2Q2018. However, the segment's gross profit margin decreased by 6.0 percentage points to 1.4% due to the lower average selling price achieved during the quarter.

Financial Position

In its latest results, the Group's net asset value per ordinary share increased by 10.4% to 12.7 US cents while earnings per ordinary share surged 2.7 times to 0.8 US cents in the second quarter. Cash and cash equivalents (excluding fixed deposits and restricted cash balances) jumped from US\$3.9 million to US\$11.1 million as at 30 June 2019.

Said Mr Jacky Tan, United Global's Executive Director and CEO, "Having restructured our sales team in Indonesia, we are on our way to improving Manufacturing sales in the coming quarters even as we seek to further improve the quality standards of our production lines in our Indonesia plant. The business outlook continues to be challenging, and we remain diligent and disciplined in keeping our operating costs within control."

The Group had on 23 April 2019, extended its MOU with Spanish oil major, Repsol Lubricantes Y Especialidades, S.A. for an additional six months to 21 October 2019 as Repsol is presently working on completing a feasibility study to explore the acquisition of an equity stake in the Group's subsidiary, United Oil Company Pte Ltd. The Group will keep shareholders updated of any material developments as and when appropriate.

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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").

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.

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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.