

MEDIA RELEASE

For Immediate Release

United Global's 3Q earnings jump 27.7% to US\$2.4 million

Period ended 30 September (US\$'000)	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
Revenue	24,592	26,942	(8.7)	87,877	82,443	6.6
Gross Profit	5,779	5,285	9.3	15,856	15,119	4.9
Profit Before Tax	2,894	2,254	28.4	8,440	6,179	36.6
Profit attributable to shareholders	2,357	1,846	27.7	6,946	4,984	39.4

SINGAPORE, 12 November 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, reported today that its net profit attributable to shareholders for the third quarter rose by 27.7% to US\$2.4 million.

Group revenue for the said quarter decreased by 8.7% to US\$24.6 million, due to a decrease in revenue from the manufacturing and trading business segments, of US\$1.8 million and US\$0.6 million respectively.

For the nine months ended 30 September 2019, the Group posted net profit attributable to shareholders of US\$6.9 million, a 39.4% jump year-on-year, on the back of a 6.6% raise in revenue to US\$87.9 million.

Segment Review

US\$'000	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
MANUFACTURING						
Revenue	24,115	25,913	(6.9)	68,431	80,273	(14.8)
Gross Profit	5,742	5,153	11.4	15,569	14,880	4.6
Gross Profit Margin (%)	23.8	19.9	3.9 ppt	22.8	18.5	4.3 ppt
TRADING						
Revenue	477	1,029	(53.6)	19,446	2,170	>100
Gross Profit	37	132	(72.0)	287	239	20.1
Gross Profit Margin (%)	7.8	12.8	(5.0 ppt)	1.5	11.0	(9.5 ppt)

MANUFACTURING

During the latest quarter, sales from Manufacturing dipped 6.9% to US\$24.1 million due to lower sales volume generated from the Group's Indonesia plant, despite achieving higher average selling prices.

However, the Group managed to increase Manufacturing's gross profit margin, which was raised by 3.9 percentage points to 23.8%, thanks to lower raw material costs.

TRADING

A decrease in sales volume and average selling price in the third quarter led to a 53.6% drop in Trading revenue to US\$477,000. Gross profit margin from the Trading segment similarly was shaved by 5 percentage points to 7.8%, largely due to lower average trading selling price achieved during the quarter.

Financial Position

In its latest third quarter results, the Group's net asset value per ordinary share increased by 17.4% to 13.5 US cents while earnings per ordinary share grew 16.7% to 0.7 US cents. Cash and cash equivalents (excluding fixed deposits and restricted cash balances) rose 84.0% to US\$9.6 million as at 30 September 2019.

Acquisition of a 40% in Group subsidiary, United Oil, by Repsol S.A.

On 30 September 2019, the Group signed a share purchase agreement for the disposal of a 40% equity stake, comprising 14,959,600 shares in the Group's wholly-owned subsidiary, United Oil Company Pte. Ltd., to Repsol Downstream Internacional S.A., a subsidiary of Madrid-listed Repsol S.A., for an initial cash consideration of US\$36.5 million and a potential deferred consideration of US\$10.0 million based on the achievement of certain goals in 2023.

Said Mr Jacky Tan, United Global's Executive Director and CEO, "While the business outlook remains challenging, we are grateful for the opportunity to join forces with an oil major such as Repsol. We believe that together, our combined synergies and determination, will drive the expansion of our business, brands and network in this region."

"We are also pleased that at an Extraordinary General Meeting held today, our shareholders unanimously voted for the partial disposal of United Oil Company to Repsol S.A., and that we are well on our way to completing this transaction," Mr Tan added.

Upon completion of the acquisition by Repsol, United Oil Company will cease to be a wholly-owned subsidiary of the Group, and instead, will become a joint-controlled entity with Repsol.

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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 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.