



MEDIA RELEASE

For Immediate Release

United Global Limited’s FY2019 net profit swells to US\$66.5 million from disposal of subsidiaries; proposes final & special dividend of 3.2 Singapore cents a share

- *Group revenue decreased 5.5% to US\$102.5M due to the partial disposal of subsidiaries during the year, leading to an overall decrease in manufacturing revenue*
- *Directors propose a final ordinary dividend of 1.2 Singapore cents and final special dividend of 2.0 Singapore cents*

(US\$'000)	4Q2019	4Q2018	Change	FY2019	FY2018	Change
Revenue	15,502	26,029	(40.4%)	102,471	108,472	(5.5%)
Gross Profit	3,847	5,361	(28.2%)	19,703	20,480	(3.8%)
Profit Before Tax	59,814	3,238	>100%	68,254	9,418	>100%
Net Profit Attributable to Shareholders	59,517	2,615	>100%	66,463	7,599	>100%

SINGAPORE, 28 February 2020 – 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 it achieved US\$66.5 million in net profit attributable to shareholders for the full year ended 31 December 2019.

This was a significant increase from the corresponding figure of US\$7.7 million in the preceding year, chiefly due to the disposal of a 40% stake in the Group’s principal subsidiary, United Oil Company Pte Ltd (“**UOC**”), to Repsol Downstream Internacional S. A. (“**Repsol**”).

Downstream”), a subsidiary of Spain-listed international oil and gas company, Repsol S.A.. Gain from the partial disposal, and de-consolidation of UOC contributed in part to US\$62.0 million in other income for FY2019.

In the latest 12 months, Group revenue decreased year-on-year by 5.5% to US\$102.5 million. Post-disposal, the Group’s equity stake in UOC (and consequently, UOC’s 95%-owned Indonesia-based subsidiary, PT Pacific Lubritama Indonesia) was pared down to 60%.

Dividend

The Directors have recommended a final ordinary dividend of 1.2 Singapore cent per ordinary share, as well as a final special dividend of 2.0 Singapore cent per ordinary share. The final dividends, if approved by shareholders at the forthcoming Annual General Meeting, will be paid on 21 May 2020.

Segment Review

US\$'000	4Q2019	4Q2018	Change	FY2019	FY2018	Change
MANUFACTURING						
Revenue	14,950	24,759	(39.6%)	83,380	105,032	(20.6%)
Gross Profit	3,710	5,267	(29.6%)	19,278	20,147	(4.3%)
Gross Profit Margin (%)	24.8	21.3	3.5 pp	23.1	19.2	3.9 pp
TRADING						
Revenue	552	1,270	(56.5%)	19,091	3,440	>100%
Gross Profit	137	94	45.7%	425	333	27.6%
Gross Profit Margin (%)	24.8	7.4	17.4 pp	2.2	9.7	(7.5 pp)

MANUFACTURING

Full-year revenue from the Manufacturing segment slid 20.6% to US\$83.4 million, resulting mainly from a decrease in sales volume, which in turn was primarily due to slower business at United Global’s Indonesia plant. However, the drop in revenue was partially mitigated by an increase in average selling price.

The Manufacturing segment achieved higher gross profit margin year-on-year, up 3.9 percentage points to 23.1%, largely due to lower raw materials cost in FY2019.

TRADING

For FY2019, revenue from the Group's Trading segment jumped to US\$19.1 million, from US\$3.4 million the previous year. This was due to an increase in sales volume during the year as a result of a one-off trading arrangement with a joint venture partner. The Trading segment's full-year gross profit increased by 27.6% to US\$425,000 mainly due to higher sales volume.

However, the trading segment gross profit margin dipped 7.5 percentage points to 2.2%, largely due to lower average selling price for this business segment during the year.

Financial Position

In its latest full-year results, the Group posted earnings per share of 21.0 US cents, a sharp increase from 2.4 US cents the previous year. Similarly, net asset value per ordinary share surged to 32.7 US cents as at 31 December 2019. Cash and cash equivalents (excluding fixed deposits and restricted cash balances) stood at US\$39.8 million as at year's end.

Said Mr Jacky Tan, United Global's Executive Director and CEO, "This has been a milestone year for us, particularly with Repsol's investment in our subsidiary, United Oil. We believe that through our partnership with Repsol, we will be able to take on new growth opportunities that abound in a high-growth market such as Southeast Asia, particularly within Singapore, Malaysia, Indonesia and Vietnam."

Corporate Updates

On 26 November 2019, the Group completed disposal of 40% equity stake in its principal subsidiary, United Oil Company Pte Ltd, to Repsol Downstream Internacional S.A. Post-disposal, UOC ceased to be a subsidiary of the Group, and is now considered an entity jointly controlled between the Group and Repsol Downstream.

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This media release has 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.

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)

Listed on Catalist of the Singapore Exchange, United Global Limited is an established, independent lubricant manufacturer with a wide range of high quality, well-engineered products under its in-house brand "United Oil", as well as a host of third-party brands. It is also engaged in the trading of base oils, additives and lubricants.

Through its joint venture United Oil Company, an entity jointly-controlled between the Group and Madrid-listed oil major Repsol, the Group manufactures a wide range of lubricants and specialty fluids for the automotive, industrial and marine industries, which are distributed throughout its extensive network covering more than 30 countries.

An ISO9001-certified company, the Group owns and operates 2 blending facilities in Singapore and Indonesia with a combined capacity of 140,000 MT. Its facility in Indonesia also has storage tanks with a total capacity of 17,000MT and has jetty access for bulk shipments by vessels with cargo capacity of up to 12,000MT.