

CIRCULAR DATED 6 JUNE 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of United Global Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of EGM (as defined herein) and the accompanying Proxy Form (as defined herein) to the purchaser or the transferee as arrangements will be made by the CDP for a separate Circular with the Notice of EGM and the accompanying Proxy Form to be sent to the purchaser or the transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular with the Notice of EGM and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Advisors 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 Circular. The Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in the Circular. The contact person for the Sponsor is Ms. Lee Khai Yinn, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.



UNITED GLOBAL LIMITED

(Company Registration No.: 201534604M)
(Incorporated in the Republic of Singapore)

- (1) **THE PROPOSED ACQUISITION OF 95% OF THE TOTAL ISSUED AND PAID-UP SHARES OF PT PACIFIC LUBRITAMA INDONESIA AS AN INTERESTED PERSON TRANSACTION;**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 8,789,000 NEW SHARES IN THE CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO EDY WIRANTO PURSUANT TO THE PROPOSED ACQUISITION;**
- (3) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 12,305,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO EMI WIRANTO PURSUANT TO THE PROPOSED ACQUISITION; AND**
- (4) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 12,305,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO ETY WIRANTO PURSUANT TO THE PROPOSED ACQUISITION.**

**Independent Financial Adviser to the Audit Committee in respect of
The Proposed Acquisition**



SAC CAPITAL PRIVATE LIMITED
(Company Registration No.: 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 18 June 2017 at 10:00 a.m. |
| Date and time of Extraordinary General Meeting | : | 21 June 2017 at 10:00 a.m. |
| Place of Extraordinary General Meeting | : | The National University of Singapore Society
Suntec City Guild House
3 Temasek Boulevard (Tower 5)
#02-401/402 Suntec City Mall
Singapore 038983 |

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless otherwise defined or the context requires otherwise:

“2016 Group NTA”	:	The latest audited consolidated NTA of the Group of US\$17,776,000 as at 31 December 2016
“Adjusted Normalised Financial Statements”	:	The adjusted Normalised Financial Statements of PLI for FY2016 which take into account the adjustments as set out in notes 2 and 3 to section 2.10 of this Circular
“AEP”	:	PT Artha Emindo Pertiwi
“Amendment Deeds”	:	Has the meaning ascribed to it in section 2.15 of this Circular
“Audit Committee”	:	The audit committee comprising the independent Directors of the Company who are also deemed to be independent for the purpose of making recommendations in respect of the Proposed Transactions, being Gerald Mah, Tan Teng Muan and Leong Koon Weng
“Bangkok Bank”	:	Bangkok Bank Public Company Limited, Jakarta Branch
“BCA”	:	PT Bank Central Asia Tbk.
“Board of Directors” or “Board”	:	The board of Directors of the Company for the time being
“Business Day”	:	A day (excluding Saturday and Sunday and public holidays) on which banks generally are open in Singapore and Jakarta, Indonesia, for the transaction of normal banking business
“Cash Consideration”	:	The sum of S\$8,220,300 to be paid to the Sellers in cash, in partial satisfaction of the Consideration
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	Section B of the Listing Manual of the SGX-ST: Rules of Catalist, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Circular”	:	This circular to Shareholders dated 6 June 2017
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Company”	:	United Global Limited
“Completion”	:	The completion of the Proposed Acquisition in accordance with the terms and conditions of the SPA
“Completion Date”	:	The date on which Completion occurs
“Conditions”	:	Has the meaning ascribed to it in section 2.8 of this Circular

DEFINITIONS

“ Consideration ”	:	The aggregate consideration of S\$18,240,000 payable by UOC for the Proposed Acquisition, to be satisfied by (i) the cash payment of the Cash Consideration and (ii) the allotment and issuance of the Consideration Shares
“ Consideration Shares ”	:	33,399,000 new Shares to be allotted and issued to the Sellers at an issue price of S\$0.30 per Share in partial satisfaction of the Consideration
“ Constitution ”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“ Controlling Shareholder ”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
“ Director ”	:	A director of the Company for the time being
“ EGM ” or “ Extraordinary General Meeting ”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 63 to 65 of this Circular
“ EPS ”	:	Earnings per Share
“ Freehold Land ”	:	Has the meaning ascribed to it in section 3.5 of this Circular
“ FY ”	:	The financial year ending or ended 31 December, as the case may be
“ Group ”	:	The Company and its subsidiaries
“ IFA ”	:	The independent financial adviser to the Audit Committee appointed in relation to the Proposed Acquisition, being SAC Capital
“ IFA Letter ”	:	The letter dated 6 June 2017 from the IFA to the Audit Committee in respect of the Proposed Acquisition as an interested person transaction as set out in Appendix A to this Circular
“ Independent Shareholders ”	:	Shareholders other than the Sellers and their respective associates
“ Independent Valuer ”	:	KJPP Wiseso Saladin dan Rekan
“ IPO ”	:	The initial public offering of Shares of the Company
“ Last Trading Day ”	:	5 May 2017, being the last full market day when Shares were traded preceding to the signing of the SPA
“ Latest Practicable Date ”	:	25 May 2017, being the latest practicable date prior to the printing of this Circular
“ NAV ”	:	Net asset value

DEFINITIONS

“Non-Competition Undertakings”	:	Has the meaning ascribed to it in section 2.15 of this Circular
“Normalised Financial Statements”	:	Has the meaning ascribed to it in section 2.10 of this Circular
“Notice of EGM”	:	The notice of the EGM which is set out on pages 63 to 65 of this Circular
“NTA”	:	Net tangible assets
“Offer Document”	:	The offer document dated 28 June 2016 issued by the Company in relation to the IPO
“PAT”	:	Net profit after tax
“PBT”	:	Profit before tax
“PLI”	:	PT Pacific Lubritama Indonesia
“PLI Territory”	:	Has the meaning ascribed to it in section 2.15 of this Circular
“Proposed Acquisition”	:	The proposed acquisition of the Sale Shares by UOC from the Sellers pursuant to the SPA
“Proposed Transactions”	:	Collectively, the Proposed Acquisition and the proposed allotment and issuance of the Consideration Shares to each of Edy Wiranto, Emi Wiranto and Ety Wiranto pursuant to the Proposed Acquisition
“Provision of Security”	:	Has the meaning ascribed to it in section 3.5 of this Circular
“Proxy Form”	:	The proxy form attached to this Circular
“Register of Members”	:	The register of members of the Company
“SAC Capital”	:	SAC Capital Private Limited
“Sale Shares”	:	171,000 ordinary shares in the capital of PLI, representing 95% of the total issued and paid-up shares of PLI as at the Latest Practicable Date
“Securities Account”	:	A securities account maintained by a depositor with CDP, but does not include a securities sub-account maintained with a depository agent
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Sellers”	:	Edy Wiranto, Emi Wiranto and Ety Wiranto
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares in the Register of Members, except where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and whose Securities Accounts those Shares are credited into

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company
“SPA”	:	The conditional sale and purchase agreement between UOC and the Sellers dated 12 May 2017 for the sale and purchase of the Sale Shares
“Sponsor”	:	SAC Advisors Private Limited
“Substantial Shareholder”	:	A Shareholder who has an interest or interests in one or more voting Shares and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Transactions”	:	Has the meaning ascribed to it in section 2.8 of this Circular
“UOC”	:	United Oil Company Pte Ltd
“Valuation Reports”	:	The valuation reports dated 25 May 2017 prepared by the Independent Valuer in relation to the valuation of the properties, plant and equipment of PLI as at 31 December 2016, the executive summaries of which are set out in Appendix B to this Circular

Currencies, Units and Others

“IDR”	:	Indonesian Rupiah, being the lawful currency of Indonesia
“S\$”	:	Singapore dollars, being the lawful currency of the Republic of Singapore
“US\$” and “US\$ cents”	:	United States dollars and cents respectively, being the lawful currency of the United States of America
“%”	:	Per centum or percentage

Names used in this Circular

“Gerald Mah”	:	Mah Kah On
“Jacky Tan”	:	Tan Thuan Hor

The expressions “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The expressions “**subsidiary**” and “**treasury shares**” shall have the meanings ascribed to them respectively in Sections 5 and 4 of the Companies Act.

The expression “**associate**” shall have the meaning ascribed to it in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words indicating a specific gender shall include, where applicable, the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any discrepancies in the figures or tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to that word under the Companies Act, the Securities and Futures Act, the Catalist Rules or that modification, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise specified.

LETTER TO SHAREHOLDERS

UNITED GLOBAL LIMITED

(Company Registration No.: 201534604M)

(Incorporated in the Republic of Singapore)

Directors:

Wiranto (Non-Executive Chairman)
Jacky Tan (Executive Director and CEO)
Ety Wiranto (Executive Director)
Gerald Mah (Lead Independent Director)
Tan Teng Muan (Independent Director)
Leong Koon Weng (Independent Director)

Registered Office:

14 Tuas Drive 2
Singapore 638647

6 June 2017

To: Shareholders of United Global Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Background

On 14 May 2017, the Company announced, *inter alia*, that its wholly-owned subsidiary, UOC, had entered into the SPA with the Sellers for the Proposed Acquisition of the Sale Shares. The Proposed Acquisition will result in PLI becoming an indirect 95%-owned subsidiary of the Company.

1.2 Purpose of Circular

The purpose of this Circular is to explain the reasons for and to provide Shareholders with the relevant information relating to the Proposed Transactions and to seek Shareholders' approval for the resolutions to be tabled at the EGM. The resolutions are set out in the Notice of EGM on pages 63 to 65 of this Circular.

The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

1.3 Conditionality of the Resolutions

Shareholders should note that all the resolutions set out in the Notice of EGM are inter-conditional upon each other. Accordingly, in the event that any of the resolutions is not approved, the other resolutions will not be passed.

2. THE PROPOSED ACQUISITION

2.1 Information relating to PLI

PLI is a limited liability company established under the laws of the Republic of Indonesia in 2000, and has an issued and paid-up share capital of IDR180,000,000,000 comprising 180,000 ordinary shares as at the Latest Practicable Date. The principal business activities of PLI are the manufacturing and processing of base oils, additives and lubricants in Indonesia.

LETTER TO SHAREHOLDERS

PLI's lubricant oil blending plant in Indonesia has a blending capacity of 80,000 metric tons ("MT"), which is almost twice the blending capacity of the Group's lubricant oil blending plant in Singapore. PLI also has storage tanks of up to 17,000 MT and jetty access to bulk shipments by vessels with cargo capacity of up to 12,000 MT.

Edy Wiranto, Emi Wiranto and Ety Wiranto hold 54,000, 63,000 and 63,000 shares in the capital of PLI, respectively.

2.2 Information relating to the Sellers

Edy Wiranto is the president commissioner of PLI. He is the son of Wiranto (the Non-Executive Chairman and a Controlling Shareholder of the Company) and brother of Ety Wiranto (an Executive Director and a deemed Controlling Shareholder of the Company).

Emi Wiranto is a commissioner of PLI. She is the daughter of Wiranto (the Non-Executive Chairman and a Controlling Shareholder of the Company) and sister of Ety Wiranto (an Executive Director and a deemed Controlling Shareholder of the Company).

Ety Wiranto is a commissioner of PLI. She is the daughter of Wiranto (the Non-Executive Chairman and a Controlling Shareholder of the Company) and spouse of Jacky Tan (the Executive Director and Chief Executive Officer and a Controlling Shareholder of the Company). She is the sister of Edy Wiranto and Emi Wiranto.

Accordingly, each of the Sellers, being (i) the Director and deemed Controlling Shareholder and/or (ii) an associate of each of Wiranto and Ety Wiranto, is an interested person and the Proposed Acquisition would constitute an interested person transaction under Chapter 9 of the Catalist Rules.

2.3 Rationale for the Proposed Acquisition

As stated in the Offer Document, the Group (a) sells (i) raw materials such as base oils and additives and (ii) lubricants, to PLI, and (b) purchases certain materials such as processed additives and lubricants from PLI.

The Board is of the view that in line with the business strategies of the Company, the acquisition of PLI would allow the Group to expand its current production capacity, and also increase its presence in Indonesia and establish stronger and closer relationships with customers, distributors and suppliers.

In addition, the Board is of the view that the Proposed Acquisition will eliminate potential conflicts of interests between PLI and the Group as PLI will be a 95%-owned subsidiary of the Company upon completion of the Proposed Acquisition. Any transactions entered into between the Group and PLI will no longer be considered interested person transactions and accordingly, the Group will no longer be required to adhere to the guidelines and review procedures imposed under the general mandate for the transactions entered into with PLI. The Company anticipates that this will substantially reduce the Group's expenses associated with adhering to such guidelines and review procedures for the transactions entered into with PLI and allow the Group to channel its resources and time towards the attainment of its other business objectives. In addition, the Proposed Acquisition will also eliminate the Group's dependency on PLI as its major customer, and enable the Group to significantly expand its blending capacity and tank farm storage capacity.

2.4 The Sale Shares

Subject to the terms and conditions of the SPA, each of the Sellers shall sell, as legal and beneficial owner, the relevant number of Sale Shares (a breakdown of which is set out in section 2.5 of this Circular), and UOC (relying on the representations and warranties and other obligations of the Sellers under the SPA) shall purchase the entire legal and beneficial ownership in the Sale Shares free from all encumbrances.

LETTER TO SHAREHOLDERS

UOC shall not be obliged to complete the purchase of any of the Sale Shares unless the sale of all the Sale Shares is completed simultaneously in accordance with the SPA.

The following is the shareholding structure of PLI, immediately before and after the Proposed Acquisition:

Name of Shareholder	Shareholding in PLI prior to the Proposed Acquisition		Shareholding in PLI immediately after the Proposed Acquisition	
	Number of shares	Percentage	Number of shares	Percentage
Edy Wiranto	54,000	30%	9,000	5%
Emi Wiranto	63,000	35%	–	–
Ety Wiranto	63,000	35%	–	–
UOC	–	–	171,000	95%
Total	180,000	100%	180,000	100%

2.5 Purchase Consideration

In accordance with the SPA, the Consideration for the Sale Shares shall be a sum of S\$18,240,000, which shall be payable as follows:

- (a) on the Completion Date, the Cash Consideration of S\$8,220,300 shall be paid into the jointly-designated bank account of the Sellers by wire transfer in immediately available funds (such payment to be a good and valid discharge of the obligations of UOC to pay the Cash Consideration to the Sellers, and UOC shall not be concerned to see to the application of the monies so paid); and
- (b) for the remaining Consideration of S\$10,019,700, within seven (7) Business Days from the Completion Date, UOC shall procure that the Company shall allot and issue, credited as fully paid-up, such number of Consideration Shares to the Sellers (and/or his/her respective designated nominees) in accordance with their respective proportion of Sale Shares.

Pursuant to the SPA, the issue price for the Consideration Shares to be issued shall be S\$0.30 per Consideration Share which represents a discount of 1.64% to the volume weighted average price of S\$0.305 per Share for trades done on the SGX-ST on the Last Trading Day.

The proportion of the Cash Consideration and the Consideration Shares attributable to each Seller is as follows:

Name of Seller	Number of Sale Shares	Total Consideration	Portion of Consideration to be satisfied in cash	Portion of Consideration to be satisfied by Consideration Shares	Number of Consideration Shares to be issued and allotted
Edy Wiranto	45,000	S\$4,800,000	S\$2,163,300	S\$2,636,700	8,789,000
Emi Wiranto	63,000	S\$6,720,000	S\$3,028,500	S\$3,691,500	12,305,000
Ety Wiranto	63,000	S\$6,720,000	S\$3,028,500	S\$3,691,500	12,305,000
Total	171,000	S\$18,240,000	S\$8,220,300	S\$10,019,700	33,399,000

LETTER TO SHAREHOLDERS

The Consideration Shares shall rank in all respects *pari passu* with the existing issued Shares save that they will not rank for any dividends, rights, allotments or any distribution, the record date of which falls before the date of issue of the Consideration Shares.

The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration, amongst others, the NAV of PLI attributable to the Sale Shares, and the earnings and prospects of PLI.

2.6 Listing and Quotation Notice

The Company will be making an application to the SGX-ST via its Sponsor for the listing of and quotation for the Consideration Shares on the SGX-ST in due course. The Company will make the relevant announcement upon receipt of the listing and quotation notice from the SGX-ST. The listing and quotation notice, if granted by the SGX-ST, for the listing of and quotation for the Consideration Shares on the SGX-ST, is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company, its subsidiaries and their securities.

2.7 Pre-Completion Obligations

Pursuant to the SPA, the Sellers have, jointly and severally, undertaken to UOC that prior to the Completion Date, they shall, *inter alia*, repay, and shall procure all their associates to repay, all outstanding debts owing to PLI.

As at the Latest Practicable Date, the total amount owing from the Sellers and their associates to PLI was approximately IDR5,942 million (equivalent to approximately US\$0.4 million), and the total amount owing from PLI to the Sellers and their associates was approximately IDR1,396 million (equivalent to approximately US\$0.1 million).

As at the Latest Practicable Date, save for an amount of US\$2.2 million due from the Group to Ety Wiranto (an Executive Director and deemed Controlling Shareholder of the Company), there are no outstanding amounts owing from the Group to the Sellers or from any of the Sellers to the Group.

2.8 Conditions Precedent

Completion of the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the following conditions ("**Conditions**") being satisfied or waived in accordance with the SPA:

- (a) the results of legal, financial and business due diligence being satisfactory to UOC;
- (b) the delivery to UOC of all approvals, waivers or consents as may be required for the sale of the Sale Shares, including without limitation, all pre-emption waivers in relation to all transfers of shares in PLI, to enable UOC and/or its nominee(s), to be registered as holder(s) of all of the Sale Shares, and to give effect to the transactions contemplated under the SPA ("**Transactions**") (including without limitation, under all applicable laws and such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which PLI is a party or by which PLI or its assets are bound) being obtained (including without limitation, the approvals from government agencies, the bankers, suppliers and customers of PLI for the Transactions) and where any waiver, consent or approval is subject to conditions, such conditions being satisfactory to UOC in its sole and absolute discretion and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect;
- (c) the approval of the boards of directors of each of UOC and the Company in respect of the Transactions having been obtained;
- (d) the approval of the Shareholders for the Transactions pursuant to the Catalist Rules having been obtained at an EGM to be convened;

LETTER TO SHAREHOLDERS

- (e) the approval in-principle of the SGX-ST for the listing and quotation of the Consideration Shares on Catalist having been obtained, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being satisfied or waived by the SGX-ST, and save for any moratorium over the Consideration Shares that may be required by the SGX-ST, the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Consideration Shares;
- (f) the delivery to UOC of a deed of assignment and transfer of trademarks which are currently held and registered in the name of Herry Dafjan (the president director of PLI) to UOC or PLI;
- (g) the delivery to UOC of written acknowledgement and consent from BCA for the Transactions and the change of PLI's status to a foreign investment company;
- (h) the delivery to UOC of written acknowledgement and consent from Bangkok Bank for the Transactions and the change of PLI's status to a foreign investment company;
- (i) the delivery to UOC of the written consent from Bangkok Bank in connection with (a) the declaration of dividends by PLI in December 2016 and (b) the entry into the credit agreement with BCA and (c) the lease agreements entered into by PLI;
- (j) the delivery to UOC of all security documents entered into pursuant to the credit agreement with BCA and the credit agreement with Bangkok Bank;
- (k) the delivery to UOC of a copy of all lease agreements entered into by PLI in connection with the properties of PLI, the terms of which are reasonably acceptable to UOC;
- (l) the representations and warranties under made by the Sellers under the SPA being true and correct on and as of the Completion Date as though made on, applicable at, and updated through and including, that time;
- (m) there being no material adverse change to assets, business, financial condition, prospects or results of operations of PLI as a whole having occurred;
- (n) PLI not being wound up, in receivership, under judicial management or administration, or subject to any scheme of arrangement;
- (o) there being no litigation, winding up (whether initiated by creditors or otherwise), judicial management, arbitration, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against PLI which could have a material adverse effect on PLI;
- (p) the delivery to UOC of spousal consent of each of the Sellers authorising the transfer of their portion of the Sale Shares;
- (q) the delivery to UOC of the approvals from the Indonesian Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*) in respect of the change of PLI's status to a foreign investment company; and
- (r) the delivery to UOC of a copy of (a) an announcement by the Directors in a newspaper having national circulation in the Republic of Indonesia in respect of the Transactions (which announcement shall be published as soon as practicable after the date of the SPA), and (b) an announcement in respect of the Transactions having been made by PLI to its employees, both in the agreed form and as required by Indonesian Company Law.

LETTER TO SHAREHOLDERS

2.9 Completion

Completion shall take place on the date which is five (5) Business Days after the date of the written notification by UOC to the Sellers of the fulfilment to the satisfaction of UOC (or waiver) of the Conditions pursuant to the SPA, or such other time and date as the parties may agree in writing, in any event by the date falling six (6) months from the date of the SPA.

2.10 Historical Financial Information of PLI

The salient historical financial information of PLI for the last 3 financial years ended 31 December 2014, 2015 and 2016 (“FY2014”, “FY2015” and “FY2016” respectively), the Normalised Financial Statements for FY2016 and the Adjusted Normalised Financial Statements for FY2016 are set out below:

Income Statement	← Audited →			← Unaudited →	
(IDR million)	FY2014	FY2015	FY2016	Normalised FY2016⁽¹⁾	Adjusted Normalised FY2016⁽²⁾
Revenue	822,420	733,805	634,012	633,909	633,909
Gross profit	81,148	62,722	86,829	88,224	88,224
Gross profit margin (%)	9.9	8.5	13.7	13.9	13.9
PBT	42,102	37,867	41,946	42,199	43,617
PAT	31,741	29,143	29,353	27,314	30,014

Balance Sheet	← Audited →			← Unaudited →	
(IDR million)	31 December 2014	31 December 2015	31 December 2016	Normalised 31 December 2016⁽¹⁾	Adjusted Normalised 31 December 2016⁽³⁾
Current assets	314,894	270,268	275,573	285,869	258,869
Current liabilities	194,759	169,947	266,759	282,527	174,527
Working capital	120,135	100,321	8,814	3,342	84,342
Non-current assets	21,399	39,104	98,119	97,519	97,519
Non-current liabilities	31,252	–	5,922	7,769	7,769
Equity attributable to owners of PLI	110,282	139,425	101,011	93,092	174,092

Cashflow Statement	← Audited →			← Unaudited →	
(IDR million)	FY2014	FY2015	FY2016	Normalised FY2016⁽¹⁾	Adjusted Normalised FY2016⁽²⁾
Net cash (used in) from operating activities	(1,281)	(29,754)	58,343	170,116	62,116
Net cash used in investing activities	(1,036)	(21,805)	(12,345)	(3,471)	(3,471)
Net cash (used in) from financing activities	(5,382)	40,918	(8,299)	(126,307)	(45,193)
Net (decrease) increase in cash and cash equivalents	(6,664)	(10,641)	37,699	40,452	13,452
Cash and cash equivalents at end of year	18,600	7,958	45,657	45,765	18,765

Notes:

- (1) For the purpose of the Proposed Acquisition, the Company had engaged an accounting and advisory firm to conduct a financial and tax due diligence on PLI to determine the adjustment and normalisation required on the financial statements of PLI for FY2016 (the “**Normalised Financial Statements**”).

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- (2) Based on the Normalised Financial Statements of PLI and adjusted for non-recurring items (mainly relating to value added taxes), as well as increased annual depreciation charges which will be incurred going forward arising from the capitalisation of the revaluation surplus of property, plant and equipment in FY2016, as follows:

(IDR million)	FY2016
Normalised PAT for the year	27,314
Add: Non-recurring expenses (net of income)	6,262
Less: Additional annual depreciation charges arising from the capitalised revaluation surplus	(4,843)
Add: Income tax in relation to additional depreciation charges	1,281
Adjusted normalised PAT for the year	<u>30,014</u>

- (3) Based on the Normalised Financial Statements of PLI and adjusted for material transactions subsequent to FY2016, as set out below:

(IDR million)	FY2016
Normalised equity attributable to owners of PLI	93,092
Add: Recapitalisation of dividends declared in FY2016	108,000
Less: Dividends declared and paid subsequent to FY2016	(27,000)
Adjusted normalised equity attributable to owners of PLI	<u>174,092</u>
Less: Intangible assets	(50)
Adjusted normalised NTA attributable to owners of PLI	174,042
Less: Capitalised revaluation surplus	(52,233)
Adjusted normalised NTA attributable to owners of PLI (excluding capitalised revaluation surplus)	121,809
Adjusted normalised NTA attributable to the Sale Shares (excluding capitalised revaluation surplus)	115,719

2.11 Value of the Sale Shares

Based on the Normalised Financial Statements of PLI, the NAV and NTA attributable to the Sale Shares as at 31 December 2016 were approximately IDR88,437 million (or US\$6.6 million) and IDR88,390 million (or US\$6.6 million) respectively.

Based on the Adjusted Normalised Financial Statements of PLI, the adjusted NAV and NTA attributable to the Sale Shares as at 31 December 2016 were approximately IDR165,387 million (or US\$12.3 million) and IDR165,340 million (or US\$12.3 million) respectively.

Based on the Normalised Financial Statements of PLI, the PBT and PAT attributable to the Sale Shares for FY2016 were approximately IDR40,089 million (or US\$3.0 million) and IDR25,948 million (or US\$1.9 million) respectively.

Based on the Adjusted Normalised Financial Statements of PLI, the adjusted PBT and adjusted PAT attributable to the Sale Shares for FY2016 were approximately IDR41,436 million (or US\$3.1 million) and IDR28,514 million (or US\$2.1 million) respectively.

2.12 Value of the Property, Plant and Equipment of PLI

In connection with the Proposed Acquisition, the Group had appointed the Independent Valuer to advise on the fair value of all the property, plant and equipment held by PLI. The Independent Valuer is the valuation service arm of Jones Lang LaSalle in Indonesia. The Independent Valuer conducted its valuation in accordance with the Sixth Edition of the Indonesia Valuation Standards (SPI) Year 2015, which has no material differences from the International Valuation Standard (IVS) as published by the International Valuation Standards Council. The independent valuation has been undertaken on a fair value basis ("**Fair Value**"), which is defined as the "estimated amount of price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

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As set out in the Valuation Reports, the Independent Valuer has adopted two (2) generally recognised approaches, namely, the market approach and the cost approach. The market approach measures the value of an asset through an analysis of recent sales or offerings of comparable businesses or assets, with adjustments made to account for differences between the subject asset being valued and the comparable assets used in the analysis. The cost approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility, with the reproduction or replacement cost new being adjusted to reflect appropriate physical deterioration, functional obsolescence and economic obsolescence.

The Independent Valuer has not used the income approach as the Independent Valuer is of the opinion that the income approach is inappropriate given that the income approach is not commonly used in valuing factories in Indonesia. In addition, the market data of how revenue can be generated from the factory buildings are not available in the market and there are no leases of factory buildings. Accordingly, the Independent Valuer has calculated the fair value of the property, plant and equipment in PLI through the cost approach and market approach. Further details of the valuation approach used for each category of property, plant and equipment are set out in **Appendix B** to this Circular.

Based on its analysis, the Independent Valuer is of the opinion that as at the valuation date of 31 December 2016, the fair value of the property, plant and equipment of PLI is IDR98,498 million.

Details of the property, plant and equipment held by PLI are set out in the executive summaries of the Valuation Reports, which are reproduced in **Appendix B** to this Circular. Shareholders are advised to read the executive summaries of the Valuation Reports carefully in their entirety.

2.13 Sources of Funds for the Proposed Acquisition

The Cash Consideration will be funded by the Group's internal resources, including proceeds from the IPO of the Company.

2.14 No Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

For completeness, the Board is currently considering the possibility of appointing Edy Wiranto (who is one of the Sellers) as the Non-Executive Chairman of the Company in place of Wiranto, for succession planning reasons. Relevant announcements will be made at the appropriate juncture as and when there are any developments in this regard.

2.15 Amendment of Non-Competition Undertakings

As disclosed in the Offer Document, each of Wiranto, Jacky Tan and Ety Wiranto had entered into a deed of undertaking (collectively, the "**Non-Competition Undertakings**") pursuant to which each of them had undertaken, *inter alia*, that for as long as he and/or his associates, either individually or collectively remain a Director and/or Controlling Shareholder and for the period of 12 months from the date that he (a) ceases to be an employee and/or Director of the Company, and (b) ceases to be a Controlling Shareholder, he shall not, and shall use his best endeavours to procure that his associates (whether present or future), shall not, *inter alia*, be engaged in or interested in or carry on any business which will compete (whether directly or indirectly) with the Business of the Group.

In the Non-Competition Undertakings, "**Business**" was defined to mean any business in the manufacturing and trading of lubricants in any jurisdiction other than Indonesia, but including Batam, Bintan and certain demarcated islands (the "**PLI Territory**"), or such other business as may be carried out by the Group or approved by the Board and/or Shareholders from time to time.

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In view of the completion of the Proposed Acquisition, each of Wiranto, Jacky Tan and Ety Wiranto has entered into an amendment deed (collectively, the “**Amendment Deeds**”) to amend the respective Non-Competition Undertaking given by each of them, such that, *inter alia*, the exclusion of the PLI Territory in the geographical scope of each Non-Competition Undertaking is removed, as PLI will become part of the Group after Completion.

In the Non-Competition Undertakings, AEP was also stated not to be engaged in a business that competes with the business of the Group as the Group did not intend to conduct their business in the PLI Territory. As disclosed in the Offer Document, AEP was engaged in the business of trading lubricants in Indonesia and acted as a sub-distributor to PLI in the PLI Territory. AEP is a company that is 25.0% owned by Ety Wiranto, with the remaining 75.0% owned by relatives of Ety Wiranto.

Since March 2017, PLI has appointed a third party company (which is unrelated to Wiranto, Jacky Tan and Ety Wiranto) to undertake the sub-distributorship arrangements which were previously undertaken by AEP in the PLI Territory. As at the Latest Practicable Date, AEP has ceased business operations and is dormant.

3. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

3.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as the “**entity at risk**”) enters into or proposes to enter into with a party who is an interested person of the listed company. Under Chapter 9 of the Catalist Rules, an immediate announcement and subsequent shareholders’ approval is required in respect of a transaction between an entity at risk and its interested persons if the value of that transaction exceeds 5% of the latest audited NTA value of the listed group.

The following definitions are contained under Chapter 9 of the Catalist Rules:

- (a) the term “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.
- (b) the term “**entity at risk**” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the issuer and its subsidiaries (the “**listed group**”), or the listed group and its interested person(s) has control over the associated company.
- (c) the term “**interested person**” means:
 - (i) a director, chief executive officer, or controlling shareholder of the issuer; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (d) the term “**interested person transaction**” means a transaction between an entity at risk and an interested person.

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3.2 Interested Persons under Chapter 9 of the Catalist Rules

As disclosed in section 2.2 of this Circular, Ety Wiranto (who is an Executive Director and deemed Controlling Shareholder of the Company, and daughter of Wiranto, Non-Executive Chairman of the Company) holds 35% shareholding interest in PLI, while the remaining 65% is held by her siblings (who are also the children of Wiranto).

Accordingly, each of the Sellers, being (i) the Director and deemed Controlling Shareholder and/or (ii) an associate of each of Wiranto and Ety Wiranto, is an interested person and the Proposed Acquisition would constitute an interested person transaction under Chapter 9 of the Catalist Rules.

In accordance with Rule 906(1)(a) and Rule 918 of the Catalist Rules, where the value of an interested person transaction is equal to or exceeds 5% of the Group's latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

The Consideration of S\$18,240,000 (or approximately US\$12,614,000) represents approximately 70.96% of the 2016 Group NTA, as disclosed in the audited consolidated financial statements of the Group for FY2016.

Accordingly, as the value of the Proposed Acquisition is more than 5% of the 2016 Group NTA, the Proposed Acquisition as an interested person transaction is subject to Shareholders' approval pursuant to Rule 906(1)(a) of the Catalist Rules.

3.3 Potential Conflicts of Interests between PLI and the Company

The Directors are of the view that the Proposed Acquisition will eliminate potential conflicts of interests between PLI and the Group as PLI will be a 95%-owned subsidiary of the Company upon completion of the Proposed Acquisition. Furthermore, any transactions entered into between the Group and PLI will no longer be considered interested person transactions. Accordingly, the Group will no longer be required to adhere to the guidelines and review procedures imposed under the general mandate for the transactions entered into with PLI. The Company anticipates that this will substantially reduce the Group's expenses associated with adhering to such guidelines and review procedures for the transactions entered into with PLI and allow the Group to channel its resources and time towards the attainment of its other business objectives. In addition, the Proposed Acquisition will also eliminate the Group's dependency on PLI as its major customer, and enable the Group to significantly expand its blending capacity and tank farm storage capacity.

3.4 Other Interested Person Transactions for the Current Financial Year

There are no interested person transactions entered into by the Group including transactions with the Sellers and PLI for the current financial year up to the Latest Practicable Date, excluding all transactions which are less than S\$100,000 and save for those transactions that fall within the scope of the interested person transaction general mandate obtained from Shareholders effectively since 8 July 2016, upon the IPO, and renewed at the annual general meeting held on 27 April 2017.

For the avoidance of doubt, the abovementioned interested person transaction general mandate obtained from Shareholders since 8 July 2016 will no longer be applicable upon Completion, as PLI will become part of the Group.

3.5 Discloseable Interested Person Transactions between PLI and the Interested Persons

Pursuant to the completion of the Proposed Acquisition, PLI would become an indirect 95%-owned subsidiary of the Company and accordingly, an entity at risk. Wiranto (the Non-Executive Chairman and a Controlling Shareholder of the Company), Ery Wiranto (the spouse of Wiranto and the mother of the Sellers), Edy Wiranto and the companies controlled by them would constitute interested persons.

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Provision of Security

Wiranto, Ery Wiranto, Edy Wiranto and companies controlled by each of them have provided security over their assets (being the Freehold Land (as defined below)) for the credit facilities granted to PLI. Edy Wiranto has also provided personal guarantees in relation to the credit facilities granted to PLI. Details are set out below:

Financial Institutions	Amount/limit of Facilities Granted	Details of Guarantee & Security	Amount Guaranteed as at the Latest Practicable Date	Amount Outstanding as at the Latest Practicable Date
Bangkok Bank	<ul style="list-style-type: none"> - Overdraft: IDR10,000 million - Trade facilities US\$6,000,000 	<ul style="list-style-type: none"> - Mortgage over certain Freehold Lands of Wiranto, Ery Wiranto and Edy Wiranto - Personal guarantees provided by Edy Wiranto - Accounts receivable of PLI 	US\$6,742,000	US\$5,091,000

As no fees are payable by PLI or the Group for the provision of these securities and guarantees, there is no amount at risk to the Group.

After Completion of the Proposed Acquisition, it is intended that the abovementioned interested persons will continue to provide personal guarantees and security over their assets in relation to the credit facilities granted to PLI ("**Provision of Security**"). Accordingly, pursuant to the SPA, each of the Sellers has irrevocably undertaken to UOC that he/she shall continue to provide, and he/she shall procure that each of Wiranto and Ery Wiranto continues to provide, the freehold title ("**Freehold Land**") he/she owns as security for loans taken out by PLI, for a period of three (3) years from the date of the SPA. Edy Wiranto has also irrevocably undertaken to UOC to continue to provide his personal guarantee in relation to the credit facilities granted to PLI, for a period of three (3) years from the date of the SPA. In connection with the foregoing, each of Wiranto and Ery Wiranto has executed a deed of undertaking, pursuant to which he/she has irrevocably undertaken to continue to provide the Freehold Land he/she owns as security for loans taken out by PLI.

Following Completion of the Proposed Acquisition and prior to the end of the three (3) years from the date of the SPA, the Group intends to request the discharge of the above personal guarantees and security provided by the above interested persons. The Directors do not expect any material change in the terms and conditions of the relevant credit facilities arising from the discharge of the personal guarantees and security.

Other Transactions

Certain Freehold Land is used by PLI in the course of its business. PLI has entered into lease agreements with the owners of the Freehold Land. In addition, PLI also leases some of its properties to companies controlled by Wiranto, Edy Wiranto and Ery Wiranto.

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Edy Wiranto and his spouse own PT United Auto Care, a company in the business of car washing and servicing, in Jakarta, Indonesia. PT United Auto Care purchases lubricants from PLI and such transactions are intended to continue after completion of the Proposed Acquisition.

The total value of all such interested person transactions entered into by PLI with the abovementioned interested persons for the period from 1 January 2017 up to the Latest Practicable Date is approximately US\$97,000. Accordingly, on the assumption that the Proposed Acquisition had been completed on 1 January 2017 and PLI had been a subsidiary of the Company since 1 January 2017, the value of such transactions between PLI and the abovementioned interested persons would constitute 0.5% of the 2016 Group NTA.

4. SHAREHOLDERS' APPROVAL FOR THE ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES UNDER CHAPTER 9 OF THE CATALIST RULES

Under Section 161(1) of the Companies Act, notwithstanding anything in a company's constitution, the directors shall not, without the prior approval of the company in general meeting, exercise any power of the company to issue shares.

Rule 804 of the Catalist Rules provides that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

Rule 812 of the Catalist Rules provides that an issue of securities must not be placed to, *inter alia*, an issuer's directors and substantial shareholders unless specific shareholder approval for such placement has been obtained, with such directors and substantial shareholders and their associates abstaining from voting on the shareholders' resolution to approve such placement.

Pursuant to the Proposed Acquisition, 33,399,000 Consideration Shares will be issued to the Sellers, representing in aggregate 11.81% of the existing issued and paid-up share capital of the Company of 282,812,360 Shares as at the Latest Practicable Date and 10.56% of the enlarged issued and paid-up share capital of the Company of 316,211,360 Shares following the Completion. Ety Wiranto currently holds 409,200 Shares as at the Latest Practicable Date. The Sellers will therefore hold 10.69% of the enlarged issued and paid-up Shares following Completion.

The Sellers fall within the categories of persons covered in Rules 804 and 812 of the Catalist Rules. Shareholders' approval in respect of the proposed allotment and issuance of the Consideration Shares to each of them is therefore required pursuant to Section 161 of the Companies Act and Rules 804 and 812 of the Catalist Rules. Accordingly, the Company will be seeking Shareholders' approval for the allotment and issuance of the Consideration Shares to the Sellers at the EGM.

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5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The Proposed Acquisition is governed by Chapter 10 of the Catalist Rules. The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules based on (i) the audited consolidated financial statements of the Group for FY2016 and (ii) the Adjusted Normalised Financial Statements for FY2016 of PLI are as follows:

Rule 1006	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits ⁽¹⁾	45.1%
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares ⁽²⁾	21.5%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue ⁽³⁾	11.8%
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) Pursuant to Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profits before income tax, minority interests and extraordinary items. The Group's PBT for FY2016 was US\$6.9 million, PLI's adjusted PBT attributable to the Sale Shares for FY2016 was US\$3.1 million.
- (2) The Company's market capitalisation of S\$86.3 million was computed based on the Company's existing issued and paid-up share capital of 282,812,360 Shares as at the date of the announcement relating to the Proposed Acquisition (being 14 May 2017) and the volume weighted average price of S\$0.305 per Share on the Last Trading Day.
- (3) 33,399,000 Consideration Shares as compared to the total number of issued shares of 282,812,360 of the Company as at the Latest Practicable Date.

On the basis of Rule 1006 above, the Proposed Acquisition is a "Disclosable Transaction" as defined in Chapter 10 of the Catalist Rules.

6. CHANGES IN SHAREHOLDING STRUCTURE

Based on the shareholdings of the Company as at the Latest Practicable Date, the effect of the Proposed Acquisition on the shareholdings of the Directors, Substantial Shareholders, Independent Shareholders and non-Independent Shareholders are as follows:

	Before the Proposed Acquisition ⁽¹⁾			After the Proposed Acquisition ⁽²⁾		
	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares
Directors						
Wiranto	144,007,410	—	144,007,410	144,007,410	—	144,007,410
Jacky Tan ⁽³⁾	97,816,250	409,200	98,225,450	97,816,250	12,714,200	110,530,450
Ety Wiranto ⁽⁴⁾	409,200	97,816,250	98,225,450	12,714,200	97,816,250	110,530,450
Gerald Mah	—	—	—	—	—	—
Tan Teng Muan	—	—	—	—	—	—
Leong Koon Weng	—	—	—	—	—	—
Sellers						
Edy Wiranto	—	—	—	8,789,000	—	8,789,000
Emi Wiranto	—	—	—	12,305,000	—	12,305,000
Non-independent Shareholders⁽⁵⁾	6,325,600	—	6,325,600	6,325,600	—	6,325,600
Independent Shareholders⁽⁶⁾	34,253,900	—	34,253,900	34,253,900	—	34,253,900
Total	282,812,360	100,000	316,211,360	316,211,360	100,000	316,211,360

Notes:

- (1) The percentage of shareholding is calculated based on 282,812,360 Shares in the capital of the Company as at the Latest Practicable Date. The Company has no treasury shares as at the Latest Practicable Date.
- (2) The percentage of shareholding is calculated based on 316,211,360 Shares in the capital of the Company following Completion.
- (3) Jacky Tan is deemed to be interested in 409,200 shares before the Proposed Acquisition and 12,714,200 shares after the Proposed Acquisition held by his spouse, Ety Wiranto.
- (4) Ety Wiranto is deemed to be interested in 97,816,250 shares held by her spouse, Jacky Tan.
- (5) Shareholders who are associates of the interested persons in respect of the Proposed Transactions, other than Wiranto and Jacky Tan.
- (6) Excludes Independent Shareholders who are also Directors.

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7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Company as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on (i) the audited consolidated financial statements of the Group for FY2016 and (ii) the Adjusted Normalised Financial Statements for FY2016 of PLI.

For avoidance of doubt, such financial effects do not take into account (i) any corporate actions announced and undertaken by the Group subsequent to 1 January 2017 and (ii) the expenses incurred in relation to the Proposed Acquisition.

In addition, the audited financial statements of PLI have been prepared in accordance with Indonesian Financial Accounting Standards for Non-Publicly-Accountable Entities. After the adjustment and normalisation have been made in Adjusted Normalised Financial Statements for FY2016, no other adjustments have been made to align the differences that may result from the adoption of different accounting standards and policies by the Group as these differences are expected to be immaterial.

7.1 Share Capital

Assuming that the Proposed Acquisition was completed on 31 December 2016, the effect of the Proposed Acquisition on the share capital of the Company for FY2016 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Total number of Shares	282,812,360	316,211,360
Total issued and paid-up capital (US\$'000)	13,233	20,162

7.2 NTA

Assuming that the Proposed Acquisition was completed on 31 December 2016, the effect of the Proposed Acquisition on the NTA of the Group for FY2016 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA⁽¹⁾ (US\$'000)	17,776	24,702
Number of Shares	282,812,360	316,211,360
NTA per Share (US\$ cents)	6.29	7.81

Note:

(1) This is referring to NTA attributable to the Shareholders which excludes minority interests.

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7.3 EPS

Assuming that the Proposed Acquisition was completed on 1 January 2016, the effect of the Proposed Acquisition on the EPS of the Group for FY2016 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to Shareholders (US\$'000)	5,646	7,789
Weighted average number of Shares ⁽¹⁾	260,710,720 ⁽¹⁾	294,109,720
EPS (US\$ cents)	2.17	2.65

Note:

- (1) The weighted average number of Shares for FY2016 takes into account the number of Shares issued after the restructuring exercise but prior to the IPO and weighted average number of new Shares issued pursuant to the IPO.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 Shareholding Structure of the Company

As at the Latest Practicable Date, the shareholding interests of the Directors and the Substantial Shareholders of the Company are set out in section 6 above.

8.2 Interests in the Proposed Transactions

As at the Latest Practicable Date, save as disclosed, none of the Directors or Substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Transactions (other than through their respective directorships and shareholdings in the Company, if any).

9. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Catalist Rules, the Company has appointed SAC Capital as the IFA to the Audit Committee of the Company in relation to the Proposed Acquisition as an interested person transaction. Based on the IFA's considerations as set out in the IFA Letter and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that, from a financial point of view, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, the IFA advises the Audit Committee to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM.

Shareholders are advised to read the IFA Letter as set out in **Appendix A** to this Circular in full and consider carefully the recommendation to the Audit Committee for the Proposed Acquisition in the context of this Circular before deciding on whether to approve the Proposed Acquisition.

10. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company comprises Gerald Mah, Tan Teng Muan and Leong Koon Weng. The members of the Audit Committee of the Company do not have any interest in the Proposed Transactions and are accordingly considered to be independent for the purposes of the Proposed Transactions.

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The Audit Committee of the Company, having reviewed the terms and rationale of the Proposed Acquisition and the proposed allotment and issuance of the Consideration Shares, the financial effects of the Proposed Acquisition and all other relevant information set out in this Circular, and having considered the advice of the IFA, concur with the IFA and are of the view that the Proposed Acquisition as an Interested Person Transaction is on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders.

11. DIRECTORS' RECOMMENDATIONS

Having considered and reviewed, amongst other things, the terms of the SPA, the rationale for and the financial effects of the Proposed Acquisition and the proposed allotment and issuance of the Consideration Shares, the advice of the IFA in relation to the Proposed Acquisition as an interested person transaction, and all other relevant facts set out in this Circular, the Directors (except for Wiranto, Jacky Tan and Ety Wiranto) are of the opinion that the Proposed Transactions are in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the resolutions relating to the Proposed Transactions at the EGM.

Each of Wiranto (being an associate of the Sellers who are interested persons in respect of the Proposed Transactions), Ety Wiranto (being an interested person in respect of the Proposed Transactions) and Jacky Tan (being an associate of Ety Wiranto) has abstained from making any recommendations in respect of the Proposed Acquisition and the proposed allotment and issuance of the Consideration Shares in his/her capacity as a Director.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 63 to 65 of this Circular, will be held at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard (Tower 5), #02-401/402 Suntec City Mall, Singapore 038983 on 21 June 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 14 Tuas Drive 2 Singapore 638647 not later than 72 hours before the time fixed for the EGM. The completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes.

A depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 72 hours before the time fixed for the EGM.

14. ABSTENTION FROM VOTING

Each of the interested persons in respect of the Proposed Transactions (being the Sellers) will abstain and will ensure that his/her associates (including, *inter alia*, Wiranto and Jacky Tan) will abstain from voting in respect of each of their shareholdings on the resolutions set out in the Notice of EGM.

Further, each of the interested persons in respect of the Proposed Transactions and their associates shall decline appointment to act as proxies to vote at the EGM in respect of the resolutions set out in the Notice of EGM for other Shareholders unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the EGM.

LETTER TO SHAREHOLDERS

15. CONSENTS

- 15.1 SAC Capital, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter in **Appendix A** to this Circular and all references thereto in the form and context in which they respectively appear in this Circular, and to act in such capacity in relation to this Circular and the availability of the IFA Letter as a document for inspection.
- 15.2 The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the executive summaries of the Valuation Reports set out in **Appendix B** to this Circular, and all references thereto in the form and context in which they respectively appear in this Circular, and to act in such capacity in relation to this Circular and the availability of the corresponding executive summaries and Valuation Reports as documents for inspection.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 14 Tuas Drive 2 Singapore 638647 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the SPA;
- (b) the annual report of the Company for FY2016;
- (c) the Constitution;
- (d) the IFA Letter;
- (e) the Valuation Reports;
- (f) the executive summaries of the Valuation Reports;
- (g) the letter of consent from the IFA referred to in section 15.1 of this Circular; and
- (h) the letter of consent from the Independent Valuer referred to in section 15.2 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
UNITED GLOBAL LIMITED

Tan Thuan Hor, Jacky
Executive Director/ Chief Executive Officer

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SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)
1 Robinson Road #21-02 AIA Tower
Singapore 048542

6 June 2017

To: The Audit Committee of United Global Limited

Mr. Mah Kah On, Gerald
Mr. Tan Teng Muan
Mr. Leong Koon Weng

Dear Sirs

THE PROPOSED ACQUISITION OF 95% OF THE TOTAL ISSUED AND PAID-UP SHARES OF PT PACIFIC LUBRITAMA INDONESIA AS AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 6 June 2017 (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

On 14 May 2017, the board of directors (the “**Board**” or “**Directors**”) of United Global Limited (the “**Company**”) announced (the “**Announcement**”) that United Oil Company Pte Ltd (“**UOC**” or the “**Purchaser**”), a wholly-owned subsidiary of the Company, had on 12 May 2017 entered into a conditional sale and purchase agreement (the “**SPA**”) with Edy Wiranto, Emi Wiranto and Ety Wiranto (collectively, the “**Sellers**” and each, a “**Seller**”) to acquire (the “**Proposed Acquisition**”) 95% of the issued and paid-up share capital of PT Pacific Lubritama Indonesia (“**PLI**”) amounting to an aggregate of 171,000 shares in PLI (the “**Sale Shares**”), for a purchase consideration of S\$18,240,000 (equivalent to approximately US\$12,614,000) (the “**Consideration**”). The Consideration is to be satisfied by (i) cash payment of S\$8,220,300 (the “**Cash Consideration**”); and (ii) the allotment and issue of 33,399,000 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) at an issue price of S\$0.30 (the “**Issue Price**”) for each Consideration Share.

Ety Wiranto (who is an Executive Director and deemed Controlling Shareholder of the Company, and daughter of Wiranto, Non-Executive Chairman and a Controlling Shareholder of the Company; Ety Wiranto is also the spouse of Tan Thuan Hor (“**Jacky Tan**”), the Executive Director and Chief Executive Officer and a Controlling Shareholder of the Company) holds 35% shareholding interest in PLI, while the remaining 65% is held by her siblings (who are also the children of Wiranto). As such, each of the Sellers, being (i) a Director and deemed Controlling Shareholder and/or (ii) an associate of each of Wiranto and Ety Wiranto, is an “interested persons” within the meaning of Chapter 9 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, the Proposed Acquisition will constitute an “interested person transaction” pursuant to Chapter 9 of the Catalist Rules.

Pursuant to Rule 906(1)(a) of the Catalist Rules, the Company is required to obtain approval from the shareholders of the Company (the “**Shareholders**”) on any interested person transaction of a value equal to or more than 5% of the Company’s latest audited consolidated net tangible assets (“**NTA**”). As the value of the Proposed Acquisition is approximately 70.96% of the Company’s latest audited consolidated NTA of approximately US\$17,776,000 million as at 31 December 2016, the Company will be seeking approval from the Shareholders who are independent for the purposes of the Proposed Acquisition (the

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“**Independent Shareholders**”) at an extraordinary general meeting to be convened (the “**EGM**”).

Pursuant to Chapter 9 of the Catalist Rules, the Company has appointed us as the independent financial adviser (the “**IFA**”) to advise the audit committee of the Company (the “**Audit Committee**”) as to whether, from a financial point of view, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

This letter, which sets out our opinion and advice, has been prepared for the use of the Audit Committee in connection with its consideration of the Proposed Acquisition.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Audit Committee in respect of the Proposed Acquisition.

We are not and were not involved in any aspect of the negotiations entered into by the Company in connection with the Proposed Acquisition or in the deliberations leading up to the decision of the Directors to undertake the Proposed Acquisition. Accordingly, we do not, by this letter, warrant the merits of the Proposed Acquisition, other than to express an opinion on whether, from a financial point of view, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

We have not conducted a comprehensive review of the business, operations or financial condition of the Company and its subsidiaries (collectively, the “**Group**”) or PLI. Our evaluation is confined to the financial terms of the Proposed Acquisition and we have not evaluated the strategic, legal or commercial merits or risks of the Proposed Acquisition or the future growth prospects or earnings potential of the Group after the completion of the Proposed Acquisition. Accordingly, we do not express any view as to the prices at which the Shares may trade upon completion of the Proposed Acquisition or on the future growth prospects, financial position and earnings potential of the Group and/or PLI.

In the course of our evaluation, we have held discussions with the management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information provided in the Circular. We have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the completeness and accuracy of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Proposed Acquisition has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect.

Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nonetheless have made such enquiries and exercised such judgement as were deemed necessary and have found no reason to doubt the reliability of the information or facts. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

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Save as disclosed, we would like to highlight that all information relating to the Group and PLI that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information and/or from the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group and/or PLI at any time or as at 25 May 2017 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and/or PLI and have not been furnished with any such evaluation or appraisals, except for the valuation reports dated 25 May 2017 (the “**Valuation Reports**”) prepared by Wiseso Saladin & Rekan (the “**Independent Valuer**”), being the independent valuer appointed by the Company to perform an independent valuation of the fair value of the properties, plant and equipment of PLI as at 31 December 2016. The executive summaries of the Valuation Reports are set out in Appendix B of the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Reports, we have placed sole reliance on the independent valuation in relation to the aforementioned properties, plant and equipment.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In arriving at our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Proposed Acquisition should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE PROPOSED ACQUISITION

3.1 Information on PLI

PLI is a limited liability company established under the laws of the Republic of Indonesia in 2000, and has an issued and paid-up share capital of IDR180,000,000,000 comprising 180,000 ordinary shares as at the Latest Practicable Date. The principal business activities of PLI are the manufacturing and processing of base oils, additives and lubricants in Indonesia.

PLI’s lubricant oil blending plant (“**LOBP**”) in Indonesia has a blending capacity of 80,000 metric tons (“**MT**”), which is almost twice the blending capacity of the Group’s LOBP in Singapore. PLI also has storage tanks of up to 17,000 MT and jetty access to bulk shipments by vessels with cargo capacity of up to 12,000 MT.

Edy Wiranto, Emi Wiranto and Ety Wiranto hold 54,000 shares, 63,000 shares and 63,000 shares in the capital of PLI, respectively. Further information on the Sellers are set out in Section 2.2 of the Circular.

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As at 31 December 2016, the adjusted¹ NTA attributable to the Sale Shares was approximately IDR165,340 million (equivalent to approximately US\$12.3 million) and the adjusted² PAT attributable to the Sales Shares for FY2016 were approximately IDR28,514 million (equivalent to approximately US\$2.1 million).

3.2 Key Terms and Conditions of the Proposed Acquisition

3.2.1 Purchase consideration

In accordance with the SPA, the Consideration for the Sale Shares shall be a sum of S\$18,240,000, which shall be payable as follows:

- (a) on the date of completion of the SPA (the “**Completion Date**”), the Cash Consideration of S\$8,220,300 shall be paid into the jointly-designated bank account of the Sellers by wire transfer in immediately available funds (such payment to be a good and valid discharge of the obligations of UOC to pay the Cash Consideration to the Sellers, and UOC shall not be concerned to see the application of the monies so paid); and
- (b) for the remaining Consideration of S\$10,019,700, within seven (7) business days from the Completion Date, UOC shall procure that the Company shall allot and issue, credited as fully paid-up, such number of new Consideration Shares to the Sellers (and/or his/her respective designated nominees) in accordance with their respective proportion of Sale Sales.

Pursuant to the SPA, the Issue Price for the Consideration Shares to be issued shall be S\$0.30 per Consideration Share, which represents a discount of 1.64% to the volume weighted average price of S\$0.305 per Share for trades done on the SGX-ST on 5 May 2017, being the last full market day when Shares were traded (the “**Last Trading Day**”) preceding the signing of the SPA.

The Cash Consideration will be funded by the Group's internal resources, including proceeds from the initial public offering (“**IPO**”) of the Company.

The proportion of the Cash Consideration and the Consideration Shares attributable to each Seller is as follows:

Name of Seller	Number of Sale Shares	Total Consideration (S\$)	Portion of Consideration to be satisfied in cash (S\$)	Portion of Consideration to be satisfied by Consideration Shares (S\$)	Number of Consideration Shares to be issued and allotted
Edy Wiranto	45,000	4,800,000	2,163,300	2,636,700	8,789,000
Emi Wiranto	63,000	6,720,000	3,028,500	3,691,500	12,305,000
Ety Wiranto	63,000	6,720,000	3,028,500	3,691,500	12,305,000
Total	171,000	18,240,000	8,220,300	10,019,700	33,399,000

The Consideration Shares shall rank in all respects *pari passu* with the existing issued Shares save that they will not rank for any dividends, rights, allotments or any distribution, the record date of which falls before the date of issue of the Consideration Shares.

¹ The adjusted NTA was based on the adjustments for (i) recapitalisation of dividend as share capital of IDR108.0 billion, and (ii) a final dividend payment of IDR27.0 billion approved subsequent to FY2016.

² The adjusted PAT was based on the adjustments for (i) non-recurring expenses of IDR6.3 billion, (ii) increase of depreciation of IDR4.8 billion resulting from the revaluation surplus of property, plant and equipment, and (iii) tax impact of IDR1.3 billion in relation to the additional depreciation arising from revaluation surplus of property, plant and equipment.

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The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration, amongst others, the net asset value of the Sale Shares, and the earnings and prospects of PLI.

Pursuant to the SPA, the Sellers have undertaken to the Purchaser that prior to the Completion Date, they shall repay, and shall procure all their associates to repay, all outstanding debts owing to PLI.

3.2.2 Conditions precedent

Pursuant to the terms of the SPA, the Completion of the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the following conditions (“**Conditions**”) being satisfied or waived:

- (a) the approval of the boards of directors of each of the Purchaser and the Company in respect of the Transactions having been obtained;
- (b) the approval of the shareholders of the Company for the Transactions pursuant to the Catalist Rules having been obtained at an extraordinary general meeting to be convened; and
- (c) the approval in-principle of the SGX-ST for the listing and quotation of the Consideration Shares on Catalist having been obtained, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being satisfied or waived by the SGX-ST, and save for any moratorium over the Consideration Shares that may be required by the SGX-ST, the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Consideration Shares.

Further details on the conditions precedent are set out in Section 2.8 of the Circular, and Shareholders are advised to read the information carefully.

The Company will be making an application to the SGX-ST via its sponsor, SAC Advisors Private Limited, for the listing of and quotation for the Consideration Shares on the SGX-ST in due course.

3.3 **Rationale for the Proposed Acquisition**

The rationale for the Proposed Acquisition is set out in Section 2.3 of the Circular, and Shareholders are advised to read the information carefully.

4. **EVALUATION OF THE PROPOSED ACQUISITION**

In our evaluation of the Proposed Acquisition from a financial point of view, we have reviewed and examined the following factors which have a significant bearing on our assessment:

- (a) the rationale for the Proposed Acquisition;
- (b) the reasonableness of the Consideration;
- (c) the reasonableness of the Issue Price;
- (d) the historical financial performance and condition of PLI;
- (e) the historical financial performance and condition of the Group;
- (f) the financial effects of the Proposed Acquisition on the Group; and
- (g) other relevant considerations.

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4.1 Rationale for the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition or the future prospects of the Group after the Proposed Acquisition. Nevertheless, we have reviewed the rationale for the Proposed Acquisition as set out in Section 2.3 of the Circular, and reproduced in italics below.

“As stated in the Offer Document, the Group (a) sells (i) raw materials such as base oils and additives and (ii) lubricants, to PLI, and (b) purchases certain materials such as processed additives and lubricants from PLI.

The Board is of the view that in line with the business strategies of the Company, the acquisition of PLI would allow the Group to expand its current production capacity, and also increase its presence in Indonesia and establish stronger and closer relationships with customers, distributors and suppliers.

In addition, the Board is of the view that the Proposed Acquisition will eliminate potential conflicts of interests between PLI and the Group as PLI will be a 95%-owned subsidiary of the Company upon completion of the Proposed Acquisition. Any transactions entered into between the Group and PLI will no longer be considered interested person transactions and accordingly, the Group will no longer be required to adhere to the guidelines and review procedures imposed under the general mandate for the transactions entered into with PLI. The Company anticipates that this will substantially reduce the Group’s expenses associated with adhering to such guidelines and review procedures for the transactions entered into with PLI and allow the Group to channel its resources and time towards the attainment of its other business objectives. In addition, the Proposed Acquisition will also eliminate the Group’s dependency on PLI as its major customer, and enable the Group to significantly expand its blending capacity and tank farm storage capacity.”

4.2 Reasonableness of the Consideration

4.2.1 Comparison with Adjusted NTA of PLI

Independent valuation of property, plant and equipment

In connection with the Proposed Acquisition, the Company had appointed the Independent Valuer to advise on the fair value of all the property, plant and equipment held by PLI. The Independent Valuer is the valuation service arm of Jones Lang LaSalle in Indonesia. The Independent Valuer conducted its valuation in accordance with the Sixth Edition of the Indonesia Valuation Standards (SPI) Year 2015, which has no material differences from the International Valuation Standard (IVS) as published by the International Valuation Standards Council. The independent valuation has been undertaken on a fair value basis (“**Fair Value**”), which is defined as the “estimated amount of price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

As set out in the Valuation Reports, the Independent Valuer has adopted 2 generally recognised approaches, namely, the market approach and the cost approach. The market approach measures the value of an asset through an analysis of recent sales or offerings of comparable businesses or assets, with adjustments made to account for differences between the subject asset being valued and the comparable assets used in the analysis. The cost approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility, with the reproduction or replacement cost new being adjusted to reflect appropriate physical deterioration, functional obsolescence and economic obsolescence.

The Independent Valuer has not used the income approach as the Independent Valuer is of the opinion that the income approach is inappropriate given that the income approach is not commonly used in valuing factories in Indonesia. In addition, the market data of how revenue can be generated from the factory buildings are not available in the market and there are no leases of factory buildings. Accordingly, the Independent Valuer has calculated the Fair Value of the property, plant and equipment in PLI through the cost approach and market approach. Further details of the valuation approach used for each category of property, plant and equipment are set out in Appendix B of the Circular.

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Based on its analysis, the Independent Valuer is of the opinion that as at the Valuation Date of 31 December 2016, the Fair Value of the property, plant and equipment of PLI is IDR98,498 million. A breakdown of the Fair Value of the property, plant and equipment is as follows:

Fair Value	(IDR million)
Buildings and site improvements	50,850
Machinery and equipment	42,355
Forklifts, motor vehicles and office equipment	5,293
Total	98,498

Based on the independent valuation and after taking into consideration the tax impact, a revaluation surplus of approximately IDR52,233 million (equivalent to approximately S\$5.6 million) (the “**Capitalised Revaluation Surplus**”) was capitalised in PLI’s balance sheet for FY2016, and the balance of approximately IDR967 million in revaluation surplus (net of tax) (the “**Uncapitalised Revaluation Surplus**”)³ was not capitalised in PLI’s balance sheet. The Sellers have confirmed that PLI had received all relevant approvals for the capitalisation of the Capitalised Revaluation Surplus in its financial statements. A breakdown of the revaluation surplus as at 31 December 2016 is set out below:

(IDR million)	Fair Value	Net book value as at 31 December 2016 (excluding revaluation surplus)	Total revaluation surplus*	Capitalised Revaluation Surplus*
Buildings and site improvements	50,850	28,812	20,716	20,216
Machinery and equipment	42,355	9,875	30,531	30,115
Forklifts, motor vehicles and office equipment	5,293	3,215	1,954	1,902
Total	98,498	41,902	53,200	52,233

* Net of tax

From the above, we note that the revaluation surplus pertains mainly to machinery and equipment, and buildings and site improvements. These revaluation surpluses mainly relate to the factory, office building, warehouse, production facilities and equipment located at PLI’s lubricant factory site in Bojonegara.

Significant changes to NTA subsequent to FY2016

As set out in Section 4.4 of this letter, subsequent to FY2016, PLI had (i) recapitalised IDR108,000 million of dividends as share capital and (ii) approved a final dividend payment of IDR27,000 million which will be paid out to the Sellers prior to Completion.

Taking into account the aforementioned significant changes to NTA subsequent to FY2016 and excluding the Capitalised Revaluation Surplus, the adjusted NTA attributable to the Sale Shares as at 31 December 2016 based on the Normalised Financial Statements (as defined below) is approximately IDR115,719 million (equivalent to approximately S\$12.4 million). Please refer to footnote 3 in Section 4.4 of this letter for further details on the Normalised Financial Statements.

Taking into account the aforementioned significant changes to NTA subsequent to FY2016 (including the Capitalised Revaluation Surplus), the adjusted NTA (the “**Adjusted NTA**”) attributable to the Sale Shares as at 31 December 2016 based on the Normalised Financial Statements is approximately IDR165,340 million (equivalent to approximately S\$17.8 million).

³ The Uncapitalised Revaluation Surplus is equivalent to only S\$103,867, representing 0.6% of the Adjusted Normalised NAV of PLI. Due to the immateriality of the Uncapitalised Revaluation Surplus, we have not included the Uncapitalised Revaluation Surplus into our evaluation in this letter.

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We note that:

- (a) the Consideration represents a price-to-Adjusted NTA (excluding Capitalised Revaluation Surplus) ratio of 1.47 times as at 31 December 2016 based on the Normalised Financial Statements; and
- (b) the Consideration represents a premium of approximately S\$480,000 over the Adjusted NTA (including Capitalised Revaluation Surplus) attributable to the Sale Shares, or a price-to-Adjusted NTA (including Capitalised Revaluation Surplus) ratio of 1.03 times as at 31 December 2016 based on the Normalised Financial Statements.

It should be noted that the above Adjusted NTA attributable to the Sale Shares of IDR165,340 million is on the assumption of a hypothetical sale of the property, plant and equipment of PLI at their respective revalued amounts as at 31 December 2016. Such Adjusted NTA amount is not necessarily a realisable value as the market value of the property, plant and equipment of PLI may vary depending on, *inter alia*, the prevailing market and economic conditions, and there is no assurance that the Group will be able to dispose of such property, plant and equipment of PLI at their respective revalued amounts as set out in the Valuation Reports.

Shareholders are advised to read the above information in conjunction with the Valuation Reports in its entirety, including the various assumptions and limiting conditions of the independent valuation.

The Directors have confirmed that to the best of their knowledge and belief, and as advised by the Sellers, save as disclosed above, (a) they are not aware of any circumstances which may cause the Adjusted NTA of PLI as at the Latest Practicable Date to be materially different from that recorded in the adjusted balance sheet of PLI as at 31 December 2016; (b) there have been no material acquisitions or disposals of assets by PLI since 31 December 2016 and up to the Latest Practicable Date; and (c) there are no contingent liabilities, bad or doubtful debts or impairment losses which are likely to have a material impact on the Adjusted NTA of PLI as at 31 December 2016.

4.2.2 Comparison with valuation statistics of companies broadly comparable to PLI

In order to derive a reasonable range of valuation for the purposes of assessing the Proposed Acquisition from a financial point of view, we have referred to selected companies listed and traded on the global stock exchanges which business activities are broadly comparable with those of PLI to give an indication of the current market expectations with regard to the perceived valuation of these businesses. There are only two companies listed on the SGX-ST, namely the Company and AP Oil International Limited, which are engaged in similar business activities as PLI. As such, we have also considered companies listed in other stock exchanges. In consultation with the Management, we have used the following listed companies which are principally engaged in the manufacturing and processing of base oils, additives and lubricants (collectively, the “**Comparable Companies**”):

- (a) AP Oil International Limited (“**AP Oil**”);
- (b) Castrol India Limited (“**Castrol**”);
- (c) FUCHS Petrolub SE (“**Fuchs**”);
- (d) GP Petroleums Limited (“**GP Petroleums**”); and
- (e) Savita Oil Technologies Ltd (“**Savita**”).

Details on the Comparable Companies, including their country of listing, business descriptions and selected key financial and valuation statistics, are set out in the annex to this letter.

Shareholders should note that the Comparable Companies may not be exhaustive and there is no company or group listed on any relevant stock exchange which may be considered identical to PLI in terms of business activities, market capitalisation, scale of operations, risk

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profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the manufacturing and processing of base oils, additives and lubricants. We wish to highlight that there may be significant differences between the valuations that investors may accord to companies listed on the SGX-ST *vis-à-vis* other stock exchanges. Such cross-border valuation statistics are subject to differing macroeconomic variables and hence may not be directly comparable to PLI. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Shareholders should also note that PLI is privately held as at the Latest Practicable Date, while all the Comparable Companies are listed companies. It is generally accepted that the value for quoted shares are generally higher than those for unquoted shares in the view of the listed status, improved liquidity, disclosure, corporate governance requirements as well as rules of the relevant exchange that has to be complied with for listing.

In assessing the financial terms of the Proposed Acquisition, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio (“PER”)	<p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full-year net earnings per share <i>vis-à-vis</i> the corresponding historical Adjusted PER of PLI based on the Consideration and the latest full-year Adjusted Normalised PAT (as defined below) of PLI.</p>
Price-to-NTA ratio	<p>An NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical price-to-NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest available NTA per share <i>vis-à-vis</i> the corresponding price-to-Adjusted NTA ratio of PLI based on the Consideration.</p>
Enterprise value to EBITDA (“EV/EBITDA”) ratio	<p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the</p>

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Valuation parameter	Description
	profitability between companies as it eliminates the effects of financing and accounting decisions.
	We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values and latest full-year EBITDA <i>vis-à-vis</i> the corresponding historical EV/EBITDA ratio of PLI based on the Consideration, balance sheet values as at 31 December 2016 and latest full-year EBITDA.

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* PLI as implied by the Consideration. We have included the Company separately in the table below in order not to skew the statistics of the Comparable Companies as the Company is the acquirer of PLI.

Comparable Companies	Historical PER (times)	Historical price-to-NTA ratio (times)	
		ratio (times)	Historical EV/EBITDA ratio (times)
AP Oil ⁽¹⁾	12.00	0.78	1.09
Castrol	30.37	34.70	18.96
Fuchs ⁽¹⁾	22.77	7.02	13.98
GP Petroleums ⁽¹⁾	22.46	3.05	12.30
Savita	39.89	2.16	17.22
High	39.89	34.70	18.96
Mean	25.50	3.25 ⁽²⁾	15.62 ⁽³⁾
Median	22.77	2.60 ⁽²⁾	15.60 ⁽³⁾
Low	12.00	0.78	1.09
The Company⁽⁴⁾	9.81	3.48	6.81
PLI⁽⁵⁾	6.16	1.47 ⁽⁶⁾ 1.03 ⁽⁷⁾	4.10

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies, Normalised Financial Statements of PLI and SAC Capital's computations

Notes:

- (1) Adjusted for cash dividends declared subsequent to their latest financial period.
- (2) Being a statistical outlier, Castrol has been excluded from the computation of the mean and median historical price-to-NTA ratios.
- (3) Being a statistical outlier, AP Oil has been excluded from the computation of the mean and median historical EV/EBITDA ratios.
- (4) The net earnings and EBITDA of the Company was computed after adding back non-recurring IPO expenses incurred in FY2016. The NTA of the Company was based on its NTA as at 31 December 2016 after excluding dividends approved and paid out subsequent to FY2016.
- (5) The adjusted net profits after tax and EBITDA of PLI was based on the adjustments for non-recurring expenses of IDR6.3 billion and increase of depreciation (net of tax) of IDR3.6 billion resulting from the Capitalised Revaluation Surplus. The EV of PLI has been adjusted to take into account the cash position after a final dividend payment of IDR27,000 million made subsequent to FY2016. Please refer to Section 4.4 of this letter for further details of these adjustments. Excluding these adjustments, the historical PER of PLI as implied by the Consideration is 6.77 times.
- (6) Based on the Adjusted NTA (excluding Capitalised Revaluation Surplus) of PLI as at 31 December 2016. Please refer to Section 4.2.1 of this letter for further details of these adjustments.
- (7) Based on the Adjusted NTA (including Capitalised Revaluation Surplus) of PLI as at 31 December 2016. Please refer to Section 4.2.1 of this letter for further details of these adjustments.

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Historical PER comparison

We note that the historical PER of 6.16 times of PLI as implied by the Consideration is:

- (a) below the range of historical PERs of the Comparable Companies of between 12.00 times and 39.89 times;
- (b) at a significant discount of 48.7% to the lowest PER of the Comparable Companies of 12.00 times; and
- (c) at a discount of 37.2% to the PER of the Company of 9.81 times.

Historical price-to-NTA comparison

We note that the historical price-to-Adjusted NTA (excluding Capitalised Revaluation Surplus) ratio of 1.47 times of PLI as implied by the Consideration is:

- (a) at the lower end of the range of historical price-to-NTA ratios of the Comparable Companies of between 0.78 times and 34.70 times;
- (b) at a significant discount of 54.8% and 43.5% to the mean and median historical price-to-NTA ratios of the Comparable Companies of 3.25 times and 2.60 times respectively; and
- (c) at a significant discount of 57.8% to the historical price-to-adjusted NTA ratio of the Company of 3.48 times.

We also note that the historical price-to-Adjusted NTA (including Capitalised Revaluation Surplus) ratio of 1.03 times of PLI as implied by the Consideration is:

- (a) at the lower end of the range of historical price-to-NTA ratios of the Comparable Companies of between 0.78 times and 34.70 times;
- (b) at a significant discount of 68.3% and 60.4% to the mean and median historical price-to-NTA ratios of the Comparable Companies of 3.25 times and 2.60 times respectively; and
- (c) at a significant discount of 70.4% to the historical price-to-adjusted NTA ratio of the Company of 3.48 times.

Historical EV/EBITDA comparison

We note that the historical EV/EBITDA ratio of 4.10 times of PLI as implied by the Consideration is:

- (a) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 1.09 times and 18.96 times;
- (b) at a significant discount of 73.8% and 73.7% to the mean and median historical EV/EBITDA ratios of the Comparable Companies of 15.62 times and 15.60 times respectively; and
- (c) at a discount of 39.8% to the historical EV/EBITDA ratio of the Company of 6.81 times.

4.2.3 Comparison with the Company's IPO

We have reviewed the IPO statistics for the Company upon its listing on Catalist on 8 July 2016 for an indication of the perceived valuation that public investors ascribed to the business of the manufacturing and distribution of lubricants and additives. We note from the Company's offer document dated 28 June 2016 ("**Offer Document**") that the placement price for the IPO was S\$0.25 representing a premium of 658% over the Group's NTA as at 31 December 2015 before adjusting for the estimated net proceeds from the issue of the new Shares pursuant to the IPO. In addition, the placement price for the IPO of S\$0.25 represents a PER of 7.0 times

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(based on the Group's historical EPS for FY2015 adjusted for the remuneration pursuant to the service agreements with the Executive Directors and the pre-placement share capital of 240,012,360 Shares).

We note that for the Proposed Acquisition, the Consideration represents:

- (a) a premium of 47% over PLI's Adjusted NTA (excluding Capitalised Revaluation Surplus) attributable to the Sale Shares as at 31 December 2016, which is lower as compared to the valuation of 658% premium over the Group's NTA during the IPO; and
- (b) a PER of 6.16 times based on PLI's Adjusted Normalised PAT (as defined below) attributable to the Sale Shares for FY2016, which is lower as compared to the valuation of 7.0 times the PAT of the Group during the IPO.

The comparisons with the Company's IPO is presented in view of the fact that the Proposed Acquisition of PLI may be viewed similarly as an IPO (for valuation basis only) given that PLI will be part of the Company which is listed and PLI's business is similar to the Group. To acquire PLI at a valuation which is lower compared to the valuation of the Company during the IPO is advantageous to the Company.

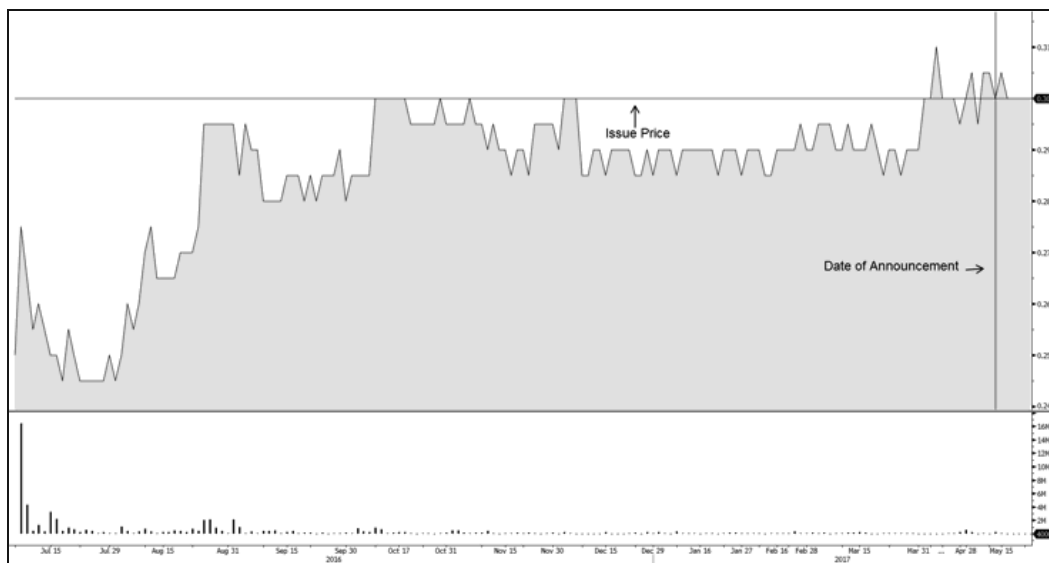
Shareholders should note that the comparison of the Company's IPO statistics with the Proposed Acquisition may be subject to factors such as, *inter alia*, timing, market sentiment, size of offering, analyst coverage and competing share offerings at the time of the Company's IPO as well as the fact that the Sale Shares are unquoted. Hence, any comparison thereof is for illustrative purposes only.

4.3 Reasonableness of the Issue Price

In assessing the reasonableness of the Issue Price of S\$0.30 for each Consideration Share, we have considered the following:

4.3.1 Market quotation of the Shares

The trend of the daily closing prices of the Shares for the period commencing from 8 July 2016 (being the date on which the Company was listed on Catalyst (the "Listing Date")) and ending on the Latest Practicable Date is set out in the chart below:



Source: Bloomberg L.P.

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A tabulation of the volume-weighted average prices (“VWAP”) of the Shares over periods of 1, 3 and 6 month(s) and since the Listing Date prior to the Announcement and for the period after the Announcement and up to the Latest Practicable Date is set out as follows:

	Lowest closing price (S\$)	Highest closing price (S\$)	VWAP (S\$)	Premium / (Discount) of Issue Price over/(to) VWAP (%)
Periods prior to the Announcement				
IPO price	0.250	0.250	0.250	20.0
Since the Listing Date	0.245	0.310	0.277	8.3
Last 6 months	0.285	0.310	0.292	2.7
Last 3 months	0.285	0.310	0.294	2.0
Last 1 month	0.295	0.310	0.300	-
Last Market Day prior to the Announcement	0.300	0.300	0.300	-
Period after the Announcement and up to the Latest Practicable Date				
After the Announcement and up to the Latest Practicable Date	0.300	0.305	0.304	(1.3)
Latest Practicable Date	0.300	0.300	0.302	(0.7)

Source: Bloomberg L.P.

We note the following with regard to the periods prior to the Announcement:

- (a) the Issue Price represents a premium of 20.0% over the Company’s IPO price of S\$0.250;
- (b) since the Listing Date and up to the date of the Announcement, the closing prices of the Shares ranged between a low of S\$0.245 and a high of S\$0.310. The Issue Price represents a premium of S\$0.055 (or 22.4%) over the lowest closing price of the Shares and a discount of S\$0.010 (or 3.2%) to the highest closing price of the Shares since the Listing Date;
- (c) the Issue Price represents a premium of 8.3%, 2.7% and 2.0% to the VWAP of the Shares since the Listing Date, for the 6-month and 3-month periods prior to the Announcement respectively. The Issue Price is the same as the VWAP for the 1-month period prior to the Announcement; and
- (d) the Issue Price is at the closing price of the Shares of S\$0.300 on 12 May 2017, being the last Market Day prior to the Announcement.

We note the following with regard to the period after the Announcement and up to the Latest Practicable Date:

- (a) the closing prices of the Shares ranged between a low of S\$0.300 and a high of S\$0.305. The Issue Price of S\$0.300 is the same as the lowest closing price of the Shares and a discount of S\$0.005 (or 1.6%) to the highest closing price of the Shares during the aforesaid period;
- (b) the Issue Price represents a discount of S\$0.004 (or 1.3%) to the VWAP of the Shares of S\$0.304 for the aforesaid period; and
- (c) the Issue Price represents a discount of S\$0.002 (or 0.7%) to the closing price of the Shares of S\$0.302 as at the Latest Practicable Date.

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4.3.2 NAV and NTA per Share of the Group

Based on the latest audited consolidated financial statements of the Company as at 31 December 2016, the audited NAV and NTA of the Group amounted to approximately US\$17.8 million. After adjusting for final dividends amounting to approximately US\$1.0 million which were declared and paid out subsequent to FY2016, the adjusted NAV and NTA of the Group amounted to approximately US\$16.8 million, or S\$0.086 per Share. Accordingly, the Issue Price represents a substantial premium of S\$0.214 (or 248.8%) over the latest audited NAV and NTA of the Group as at 31 December 2016 after adjusting for the aforementioned dividends.

The Directors have confirmed that to the best of their knowledge and belief, save as disclosed above, (a) they are not aware of any circumstances which may cause the NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited balance sheet of the Group as at 31 December 2016; (b) there have been no material acquisitions or disposals of assets by the Group since 31 December 2016 and up to the Latest Practicable Date; and (c) there are no other contingent liabilities, bad or doubtful debts or impairment losses which are likely to have a material impact on the audited NTA of the Group as at 31 December 2016.

4.3.3 Earnings per Share (“EPS”) of the Group

Based on the latest audited consolidated financial statements of the Group for FY2016, the PAT of the Group amounted to approximately US\$5.6 million. After adjusting for non-recurring IPO expenses of approximately US\$0.6 million incurred in FY2016, the adjusted PAT of the Group amounted to approximately US\$6.3 million, or S\$0.031 per Share. Accordingly, the Issue Price represents a PER of 9.81 times based on the latest audited PAT of the Group for FY2016 after adjusting for non-recurring items.

In comparison, PLI is being proposed to be acquired on a PER of 6.16 times. To issue the Consideration Shares at a PER which is higher than the PER offered for PLI is advantageous to the Group.

4.4 **Historical Financial Performance and Condition of PLI**

The salient historical financial information of PLI for the last 3 financial years ended 31 December 2014, 2015 and 2016 (“FY2014”, “FY2015” and “FY2016” respectively), the Normalised Financial Statements for FY2016 and the Adjusted Normalised Financial Statements are set out below:

Income Statement (IDR million)	Audited			Unaudited	
	FY2014	FY2015	FY2016	Normalised FY2016 ⁽¹⁾	Adjusted Normalised FY2016 ⁽²⁾
Revenue	822,420	733,805	634,012	633,909	633,909
Gross profit	81,148	62,722	86,829	88,224	88,224
Gross profit margin (%)	9.9	8.5	13.7	13.9	13.9
Profit before taxation	42,102	37,867	41,946	42,199	43,617
Net profit for the year	31,741	29,143	29,353	27,314	30,014

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Balance Sheet	← Audited →			← Unaudited →	
	31 December 2014	31 December 2015	31 December 2016	Normalised 31 December 2016 ⁽¹⁾	Adjusted Normalised 31 December 2016 ⁽³⁾
(IDR million)					
Current assets	314,894	270,268	275,573	285,869	258,869
Current liabilities	194,759	169,947	266,759	282,527	174,527
Working capital	120,135	100,321	8,814	3,342	84,342
Non-current assets	21,399	39,104	98,119	97,519	97,519
Non-current liabilities	31,252	-	5,922	7,769	7,769
Equity attributable to owners of the company	110,282	139,425	101,011	93,092	174,092

Cashflow Statement	← Audited →			← Unaudited →	
	FY2014	FY2015	FY2016	Normalised FY2016 ⁽¹⁾	Adjusted Normalised FY2016 ⁽²⁾
(IDR million)					
Net cash provided by (used in) operating activities	(1,281)	(29,754)	58,343	170,116	62,116
Net cash used in investing activities	(1,036)	(21,805)	(12,345)	(3,471)	(3,471)
Net cash provided by (used in) financing activities	(5,382)	40,918	(8,299)	(126,307)	(45,193)
Net increase (decrease) in cash and cash equivalents	(6,664)	(10,641)	37,699	40,452	13,452
Cash and cash equivalents at end of year	18,600	7,958	45,657	45,765	18,765

Source: *PLI's audited financial statements for FY2014, FY2015, FY2016, the Normalised Financial Statements and Management.*

Notes:

- (1) For the purpose of the Proposed Acquisition, the Company had engaged an accounting and advisory firm to conduct a financial and tax due diligence on PLI to determine the adjustment and normalisation required on the financial statements of PLI for FY2016 (the "**Normalised Financial Statements**").
- (2) Based on the Normalised Financial Statements of PLI and adjusted for non-recurring items (mainly relating to value added taxes), as well as increased annual depreciation charges which will be incurred going forward arising from the capitalisation of the revaluation surplus of property, plant and equipment in FY2016, as follows:

(IDR million)	FY2016
Normalised net profit for the year	27,314
Add: Non-recurring expenses (net of income)	6,262
Less: Additional annual depreciation charges arising from the Capitalised Revaluation Surplus	(4,843)
Add: Income tax in relation to additional depreciation charges	1,281
Adjusted Normalised net profit for the year (" Adjusted Normalised PAT ")	<u>30,014</u>

- (3) Based on the Normalised Financial Statements of PLI and adjusted for material transactions subsequent to FY2016, as set out below:

(IDR million)	FY2016
Normalised equity attributable to owners of the company	93,092
Add: Recapitalisation of dividends declared in FY2016	108,000
Less: Dividends declared and paid subsequent to FY2016	(27,000)
Adjusted Normalised equity attributable to owners of the company	<u>174,092</u>
Less: Intangible assets	(50)
Adjusted Normalised NTA attributable to owners of the company	174,042
Less: Capitalised Revaluation Surplus	(52,233)
Adjusted Normalised NTA attributable to owners of the company (excluding Capitalised Revaluation Surplus)	<u>121,809</u>
Adjusted Normalised NTA attributable to the Sale Shares (excluding Capitalised Revaluation Surplus)	115,719

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We note the following:

- (a) PLI's revenue decreased by IDR88,615 million or 10.8%, from IDR822,420 million in FY2014 to IDR733,805 million in FY2015, mainly due to lower demand by PLI's original equipment manufacturer ("OEM") customers in 2015. For FY2016, PLI's revenue decreased by IDR99,793 million or 13.6%, from IDR733,805 million in FY2015 to IDR634,012 million in FY2016, mainly due to a decrease in selling prices as a result of lower base oil prices;
- (b) notwithstanding that PLI's gross profit and gross profit margin decreased in FY2015, its gross profit has been on a general upward trend from IDR81,148 million in FY2014 to IDR86,829 million in FY2016, and its gross profit margin has also been on a general upward trend from 9.9% in FY2014 to 13.7% in FY2016;
- (c) PLI recorded a net profit of IDR31,741 million, IDR29,143 million and IDR29,353 million in FY2014, FY2015 and FY2016 respectively. The decrease in net profit in FY2015 as compared to FY2014 was mainly due to lower demand by PLI's OEM customers in 2015. Net profit in FY2016 increased marginally as compared to FY2015;
- (d) as at 31 December 2016 and based on the Adjusted Normalised Financial Statements, the non-current assets of PLI comprised fixed assets of IDR97,469 million and intangible assets of IDR50 million, which accounted for 99.9% and 0.01% of non-current assets respectively. Fixed assets mainly consist of buildings and infrastructure, tank farm and factory machinery and equipment at PLI's factory site in Bojonegara, office building in Jakarta, shophouses in Pekanbaru, Riau, office equipment and vehicles, including the Capitalised Revaluation Surplus. Current assets comprised mainly accounts receivable of IDR115,008 million, inventories of IDR97,412 million, other receivables of IDR22,775 million and cash and cash equivalents of IDR18,765 million, which accounted for 44.4%, 37.6%, 8.8% and 7.2% of current assets respectively. Current liabilities comprised mainly bank loans of IDR72,259 million, accounts payables of IDR58,353 million and other payables of IDR33,941 million, which accounted for 41.4%, 33.4% and 19.4% of current liabilities respectively. Non-current liabilities comprised employee benefit expenses of IDR4,158 million and bank loan of IDR3,611 million, which accounted for 53.5% and 46.5% of non-current liabilities respectively;
- (e) PLI's working capital decreased from IDR120,135 million as at 31 December 2014 to IDR100,321 million as at 31 December 2015. This was mainly due to decrease in accounts receivables as at 31 December 2015. PLI's working capital decreased from IDR100,321 million as at 31 December 2015 to IDR8,814 million as at 31 December 2016. This was mainly due to accrual of dividend payable of IDR108 million as at 31 December 2016. Based on the Adjusted Normalised Financial Statements as at 31 December 2016, PLI's working capital has increased to IDR84,342 million arising primarily from the recapitalisation of dividends;
- (f) the equity attributable to owners of PLI increased from IDR110,282 million as at 31 December 2014 to IDR174,092 million based on the Adjusted Normalised Financial Statements as at 31 December 2016;
- (g) PLI recorded negative net cash from operating activities of IDR1,281 million and IDR29,754 million in FY2014 and FY2015 respectively and positive net cash from operating activities of IDR58,343 million in FY2016; and
- (h) as at 31 December 2016, PLI had cash and cash equivalents of IDR18,765 million based on the Adjusted Normalised Financial Statements.

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As set out in Section 2.8 of the Circular, PLI's status will be changed to a foreign investment company in connection with the Proposed Acquisition, and approvals from the Indonesian Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*) is a condition precedent in the SPA. The Directors have confirmed that to the best of their knowledge and belief, and as advised by the Sellers, the change in PLI's status to a foreign investment company will have no material implications or restrictions on PLI's business, financial performance and condition, and prospects.

4.5 Historical Financial Performance and Condition of the Group

The salient historical financial information of the Group for FY2014, FY2015 and FY2016 is set out below:

Income Statement (US\$'000)	← FY2014	Audited FY2015	FY2016 →
Revenue	118,690	99,860	91,542
Gross profit	11,587	13,936	14,229
Gross profit margin (%)	9.8	14.0	15.5
Profit before taxation	4,182	7,549	6,907
Net profit for the year	3,366	6,241	5,646

Balance Sheet (US\$'000)	← 31 December 2014	Audited 31 December 2015	31 December 2016 →
Current assets	36,966	24,837	31,807
Current liabilities	18,413	21,250	16,222
Working capital	18,553	3,587	15,585
Non-current assets	1,799	2,131	2,382
Non-current liabilities	953	78	130
Equity attributable to owners of the Company	19,399	5,640	17,837

Cashflow Statement (US\$'000)	← FY2014	Audited FY2015	FY2016 →
Net cash from operating activities	5,397	16,607	6,557
Net cash from (used in) investing activities	302	1,167	(487)
Net cash used in financing activities	(4,249)	(14,888)	(1,224)
Net increase in cash and cash equivalents	1,450	2,886	4,846
Cash and cash equivalents at end of year	4,496	7,382	12,228

Source: Company's annual report and IPO Offer Document

We note the following:

- (a) the Group's revenue decreased by US\$18.8 million or 15.9%, from US\$118.7 million in FY2014 to US\$99.9 million in FY2015, due to a decrease in revenue from the manufacturing business segment of US\$7.3 million or 12.6% and the trading business segment of US\$11.5 million or 19.0%. For FY2016, the Group's revenue decreased by US\$8.3 million or 8.3%, from US\$99.9 million in FY2015 to US\$91.5 million in FY2016, due to a decrease in revenue from the trading business segment of US\$8.3 million or 16.9%;
- (b) the Group's gross profit has been on a general upward trend from US\$11.6 million in FY2014 to US\$14.2 million in FY2016;

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- (c) the Group recorded a net profit of US\$3.4 million, US\$6.2 million and US\$5.6 million in FY2014, FY2015 and FY2016 respectively. The decrease in net profit in FY2016 was mainly due to higher administrative expenses and one-off IPO expenses which were partially offset by lower distribution cost and higher gross profit;
- (d) the Group's working capital decreased from US\$18.6 million as at 31 December 2014 to US\$3.6 million as at 31 December 2015. This was mainly due to a reduction in trade and other receivables of US\$12.0 million, reduction in inventories of US\$1.5 million, and an increase in trade and other payables of US\$3.8 million. The Group's working capital increased from US\$3.6 million as at 31 December 2015 to US\$15.6 million as at 31 December 2016. This was mainly due to an increase in cash and cash equivalents of US\$5.0 million, an increase in inventories of US\$1.1 million due to higher raw materials purchased towards the end of 31 December 2016, an increase in trade receivables of US\$0.7 million, and a decrease in trade and other payables of US\$4.1 million;
- (e) the equity attributable to owners of the Company increased from US\$5.6 million as at 31 December 2015 to US\$17.8 million as at 31 December 2016, due to an increase in equity of US\$7.6 million as a result of the Company's IPO and profit for FY2016 of US\$5.6 million, partially offset by the interim dividend declared during FY2016 of US\$1.0 million;
- (f) the Group recorded positive net cash from operating activities of US\$5.4 million, US\$16.6 million and US\$ 6.6 million in FY2014, FY2015 and FY2016 respectively; and
- (g) as at 31 December 2016, the Group had cash and cash equivalents of US\$12.2 million. We note that the Cash Consideration of S\$8,220,300 represents:
 - (i) 46.5% of the Group's cash and cash equivalents of US\$12.2 million (equivalent to S\$17.7 million) as at 31 December 2016; and
 - (ii) 50.5% of the Group's cash and cash equivalents of US\$11.3 million (equivalent to S\$16.3 million) as at 31 December 2016 after adjusting for final dividends declared and paid out subsequent to FY2016.

4.6 Financial Effects of the Proposed Acquisition on the Group

For illustration purposes only, the financial effects of the Proposed Acquisition on the Group, based on the audited consolidated financial statements of the Group and the Adjusted Normalised Financial Statements of PLI for FY2016, are set out in Section 7 of the Circular. Shareholders are advised to read the information carefully, including the bases and assumptions set out therein.

We note the following:

(a) NTA per Share

The NTA per Share of the Group would increase from 6.29 United States cents ("**US cents**") to 7.81 US cents after the Proposed Acquisition.

(b) EPS

The EPS of the Group would improve from 2.17 US cents to 2.65 US cents after the Proposed Acquisition.

(c) Share capital

The issued share capital of the Company would increase from 282,812,360 Shares as at the Latest Practicable Date to 316,211,360 Shares after the Proposed Acquisition.

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Shareholders should note that the financial effects analysis does not purport to be an indication or a projection or an estimate of the financial results and financial position of the Group after the completion of the Proposed Acquisition.

4.7 Other Relevant Considerations

4.7.1 Dilution impact to the Independent Shareholders

As at the Latest Practicable Date, Wiranto and Jacky Tan are Controlling Shareholders of the Company and Ety Wiranto is a deemed Controlling Shareholder of the Company. They hold in aggregate 242,232,860 Shares, representing 85.65% of the issued share capital of the Company. The shareholding interests of Wiranto, Jacky Tan, Ety Wiranto, the Sellers and the Independent Shareholders as at the Latest Practicable Date and their resultant shareholding interest in the Company pursuant to the Proposed Acquisition, after taking into consideration the issue of the Consideration Shares, are set out as follows:

Shareholders	As at the Latest Practicable Date				After the Proposed Acquisition			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wiranto	144,007,410	50.92	-	-	144,007,410	45.54	-	-
Jacky Tan	97,816,250	34.59	409,200	0.14	97,816,250	30.93	12,714,200	4.02
Ety Wiranto	409,200	0.14	97,816,250	34.59	12,714,200	4.02	97,816,250	30.93
Edy Wiranto	-	-	-	-	8,789,000	2.78	-	-
Emi Wiranto	-	-	-	-	12,305,000	3.89	-	-
Other Non-Independent Shareholders	6,325,600	2.24	-	-	6,325,600	2.00	-	-
Independent Shareholders	34,253,900	12.11	-	-	34,253,900	10.83	-	-
Total	282,812,360	100.00			316,211,360	100.00		

* Percentages in the table may not add up due to rounding.

Accordingly, the aggregate shareholding interests of the existing Controlling Shareholders and deemed Controlling Shareholder of the Company, namely Wiranto, Jacky Tan and Ety Wiranto, will decrease from 85.65% as at the Latest Practicable Date to 80.50% after the completion of the Proposed Acquisition. The other Sellers, being Edy Wiranto and Emi Wiranto, will hold in aggregate 6.67% of the issued share capital in the Company after the Proposed Acquisition.

Pursuant to the issue of the Consideration Shares to the Sellers, the aggregate shareholding interests of the Independent Shareholders will be diluted from 12.11% as at the Latest Practicable Date to 10.83% following the completion of the Proposed Acquisition.

Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10% of the total number of issued Shares is at all times held by the public (as defined in the Catalist Rules) ("**Minimum Free Float**"). Further, under Rule 724 of the Catalist Rules, the SGX-ST may suspend trading in the Shares in the event the Minimum Free Float is not complied with, pending the restoration of the Minimum Free Float.

We note that there would be no material change in control of the Company pursuant to the Proposed Acquisition, as Wiranto, Jacky Tan and Ety Wiranto will continue to be the largest Shareholders with statutory control over the Company by virtue of their aggregate shareholding interest of more than 50% in the Company.

4.7.2 Outlook of the Group

In the announcement of the Group's unaudited financial statements for FY2016, the following commentary was made in relation to the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months:

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“We will continue to focus on addressing consumer’s changing needs in our Asia-Pacific region markets, improving our operational efficiency and establishing closer relationships with existing customers.

Meanwhile, the Group had on 15 August 2016 announced the signing of non-binding memorandum of understanding (the “MOU”) with our major customer, PT Pacific Lubritama Indonesia (“PLI”), to explore future collaboration opportunities and/or the possibility of the Group acquiring an equity interest in PLI. The Group has commenced discussions with PLI and will keep shareholders updated of any material developments.”

The Proposed Acquisition is in line with the Group’s commentary statement above.

4.7.3 Inter-dependence of the Group and PLI and elimination of conflict of interest with PLI

We note from the Company’s Offer Document that the Group has been transacting with PLI since 2003. PLI is the Group’s largest customer, accounting for 33.5% to 46.1% of the Group’s sales for FY2013 to FY2015. PLI also supplies processed additives and lubricants to the Group, accounting for 0.4% to 15.8% of the Group’s purchases for FY2013 to FY2015. In April 2016, the Group formalised its cooperation with PLI by entering into a 10-year strategic cooperation agreement with PLI (the “**PLI Cooperation Agreement**”) for, *inter alia*, the manufacturing and distribution of the Group’s products in Indonesia.

Pursuant to the PLI Cooperation Agreement, PLI had undertaken, *inter alia*, not to compete with the Group by conducting its lubricant business in Indonesia but excluding Batam, Bintan and certain demarcated islands (the “**PLI Territory**”) only. Conversely, the Group would be carrying out its business in all geographical locations other than the PLI Territory. The Company had also put in place guidelines and review procedures pursuant to the general mandate for transactions between the Group and PLI as detailed in the Offer Document (the “**Mandated Transactions**”).

As stated in the Offer Document, the Directors are of the view that any potential conflict of interests between PLI and the Group is mitigated in view of, amongst others, the aforementioned business geographic restriction, and the methods and procedures for determining transaction prices and terms of the Mandated Transactions are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Notwithstanding the above, as stated in Section 3.3 of the Circular, the Directors are of the view that the Proposed Acquisition will eliminate potential conflicts of interests between PLI and the Group, as PLI will be a 95%-owned subsidiary of the Company upon completion of the Proposed Acquisition. Furthermore, any transactions entered into between the Group and PLI will no longer be considered interested person transactions. Accordingly, the Group will no longer be required to adhere to the guidelines and review procedures imposed under the general mandate for the transactions entered into with PLI. The Company anticipates that this will substantially reduce the Group’s expenses associated with adhering to such guidelines and review procedures for the transactions entered into with PLI and allow the Group to channel its resources and time towards the attainment of its other business objectives. In addition, the Proposed Acquisition will also eliminate the Group’s dependency on PLI as its major customer, and enable the Group to significantly expand its blending capacity and tank farm storage capacity.

4.7.4 Continuing provision of security and guarantee for PLI’s bank loans

We note that as set out in Section 3.5 of the Circular, after the completion of the Proposed Acquisition, the Sellers, Wiranto and his spouse Ery Wiranto, will continue to provide personal guarantees and security (as the case may be) over their assets in relation to the credit facilities granted to PLI. In this regard, the Sellers, Wiranto and Ery Wiranto have irrevocably undertaken to UOC to continue to provide the Freehold Land which they own, as security for loans taken out by PLI, for a period of 3 years from the date of the SPA. Ery Wiranto has also irrevocably undertaken to UOC to continue to provide his personal guarantee in relation to the credit facilities granted to PLI, for a period of 3 years from the date of the SPA.

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The Group intends to request the discharge of the above personal guarantees and security provided by the Sellers, Wiranto and Ery Wiranto, following completion of the Proposed Acquisition and prior to the end of the 3 years from the date of the SPA. We note that the Directors do not expect any material change in the terms and conditions of the relevant credit facilities arising from the discharge of the personal guarantees and security.

4.7.5 No service contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

We note that as set out in Section 2.14 of the Circular, the Board is currently considering the possibility of appointing Edy Wiranto (who is one of the Sellers) as the Non-Executive Chairman of the Company in place of Wiranto, for succession planning reasons.

4.7.6 Inter-conditionality of the resolutions

Shareholders should note that the passing of Ordinary Resolution 1 (relating to the Proposed Acquisition as an Interested Person Transaction) and Ordinary Resolutions 2, 3 and 4 (relating to the proposed allotment and issuance of the Consideration Shares) are inter-conditional upon one another. Accordingly, if any of the Ordinary Resolutions are not approved, the Proposed Acquisition and the issue of the Consideration Shares will not take place.

4.7.7 Voting abstention

As set out in Section 14 of the Circular, Edy Wiranto, Emi Wiranto and Ety Wiranto, being the interested persons in relation to the Proposed Acquisition, will abstain, and will ensure that each of their associates (including, *inter alia*, Wiranto and Jacky Tan) will abstain, from voting on the ordinary resolutions relating to the Proposed Acquisition. Accordingly, the Proposed Acquisition would proceed only if, *inter alia*, a majority of the Independent Shareholders vote in favour of the Proposed Acquisition.

5. **OUR OPINION AND ADVICE**

In arriving at our opinion and advice in respect of the Proposed Acquisition, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) the rationale for the Proposed Acquisition;
- (b) the reasonableness of the Consideration;
- (c) the reasonableness of the Issue Price;
- (d) the historical financial performance and condition of PLI;
- (e) the historical financial performance and condition of the Group;
- (f) the financial effects of the Proposed Acquisition on the Group; and
- (g) other relevant considerations.

Having considered the above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, from a financial point of view, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, we advise the Audit Committee to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM.

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Our opinion and advice are addressed to the Audit Committee for its benefit and for the purposes of its consideration of the Proposed Acquisition. The recommendation to be made by the Audit Committee to the Independent Shareholders shall remain the responsibility of the Audit Committee. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of the Proposed Acquisition.

Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore. Our opinion and advice are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Soo Hsin Yu
Partner

ANNEX

-- Latest full financial year--

Company (Country of Listing)	Business description (as extracted from Bloomberg)	Share price as at Latest Practicable Date	Market capitalisation (million)	Financial year-end	Revenue (million)	Net profit/(loss) attributable to shareholders (million)
AP Oil (Singapore)	AP Oil manufactures lubricating oil, imports and exports oil and fuel. The company also operates as dealers in paraffin, lubricating oil and grease. In addition, AP Oil manufactures specialty chemicals. The company's products are marketed in 20 countries and regions.	S\$0.255	S\$42.0	31 December	S\$79.1	S\$3.5
Castrol (India)	Castrol manufactures and markets automotive and industrial lubricants and specialty products. The company's products include lubricating oils, greases and brake fluids. Castrol also manufactures cable filling compounds, jellies, waxes and other items. Castrol distributes its products mainly in India.	INR414.45	INR204,970.9	31 December	INR38,759.6	INR6,749.1
Fuchs (Germany)	Fuchs refined and produces industrial and automotive lubricants, hydraulic oils, and polishing products. The company also produces biodegradable oils. Fuchs manufactures and markets its products worldwide.	EUR42.420	EUR5,896.4	31 December	EUR2,267.0	EUR259.0
GP Petroleums (India)	GP Petroleums manufactures and distributes oils and lubricants. The company offers process oils, transformers, white oils, greases, and automotive and industrial lubricants. GP Petroleums markets its products in India.	INR89.10	INR4,542.7	31 March	INR4,799.4	INR202.3
Savita (India)	Savita manufactures and distributes greases, transformer oils, industrial oils and other petroleum products. The company also generate wind power. Savita distributes its products mainly in India.	INR937.55	INR13,690.2	31 March	INR16,801.8	INR343.2

Source: Bloomberg L.P.

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Jones Lang LaSalle

WISESO SALADIN & REKAN

KANTOR JASA PENILAI PUBLIK

Jasa Penilaian Properti (wilayah kerja seluruh Indonesia)
Izin KJPP No. 2.16.0137 Izin KJPPA No. S-619/MK.1/2016

Gedung Bursa Efek Indonesia Tower 2, Lt. 28 - Suite 2805

Jl. Jend. Sudirman Kav.52-53, Jakarta 12190 - Indonesia

Tel: +62 21 515 2955 Fax: +62 21 515 2954

Letter No. : 116/Letter-WS&RV/2017

25 May 2017

To:

United Oil Company Pte Ltd

14 Tuas Drive 2,

Singapore

Re : VALUATION OF BUILDINGS AND SITE IMPROVEMENTS, MACHINERY AND EQUIPMENT, OFFICE EQUIPMENT, AIR CONDITIONING, FORKLIFTS, AND VEHICLES BELONGING TO PT PACIFIC LUBRITAMA INDONESIA, LOCATED IN BOJONEGARA, SERANG, BANTEN - INDONESIA.

Dear Sir,

Based on the Valuation Proposal Proposal No. 080-Eng/Proposal/XII/2016 dated 23 December 2016, United Oil Company Pte Ltd (the Client) has appointed KJPP Wiseso Saladin & Rekan in association with JLL (Jones Lang LaSalle) to conduct an independent valuation to determine the Fair Value of the Valuation Objects in relation that United Oil Company Pte Ltd is considering of acquiring the shares of PT Pacific Lubritama Indonesia and as part of providing the values of the Valuation Objects as stated in the financial report.

Wiseso Saladin & Rekan is a certified public appraisal firm (or locally termed as *Kantor Jasa Penilai Publik / KJPP*) in a form of a partnership, which is holding License No: 2.16.0137 from the Minister of Finance of the Republic of Indonesia pursuant to the Decree No 741/KM.1/2016 dated 22 July 2016.

Wiseso Saladin & Rekan is an independent member firm of JLL (Jones Lang LaSalle), a world's leading professional services and investment management firm specializing in real estate, which is headquartered in Chicago – USA. Wiseso Saladin & Rekan is the valuation service arm of JLL in Indonesia.

Our status in this assignment is as an independent property valuation service. We do not have any conflict of interest, directly or indirectly, with the Client, the user of the report, and the property that will be the object of valuation. We have conduct this valuation professionally, objectively, and will not take side to any party.

The Valuation Objects are Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles belonging to PT Pacific Lubritama Indonesia, located on Jalan Kali Asin in the Village of Lumalang, Sub-District of Bojonegara, District of Bojonegara, Regency of Serang, Province of Banten – Indonesia.

As informed by the Client, that the land where the factory compounds of PT Pacific Lubritama Indonesia erected is leased from Wiranto family. We assume that the lease can be renewed. For the purpose of this valuation we have not valued the land status.

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The Valuation Objects included in this valuation comprises buildings and site improvements with a total gross floor area of approximately 8,714 square meters, which includes machinery and equipment, office equipment, air conditionings, forklifts, vehicles.

We confirm that we have made relevant searches and enquiries, and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Fair Value of the property.

Fair Value is defined as the “the estimated amount of price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

In conducting this valuation, the valuer has made references to the Sixth Edition of the Indonesia Valuation Standards (*Standar Penilaian Indonesia / SPI*) – 2015, and our personnel in charge of the valuation abide to the Indonesian Valuer’s Code of Ethic (*Kode Etik Penilai Indonesia / KEPI*).

There are no material differences between the Sixth Edition of the Indonesia Valuation Standards (*Standar Penilaian Indonesia / SPI*) – 2015 and the International Valuation Standards (IVS) as published by the International Valuation Standards Council.

Our opinion of value of the Valuation Objects as at 31 December 2016; subject to our disclaimers, limiting conditions, and assumptions to be described herein, is:

Fair Value

Rp.69,490,000,000.-

(Indonesian Rupiahs Sixty Nine Billion Four Hundred Ninety Million Only)

Yours faithfully,

Andi Saladin, MAPPI (Cert.)

Partner

Licensed Public Valuer No.: P-1.09.00250 (Property Valuation)

OJK Registration No.25/PM.22/STTD-P/A/2016 (Property Valuation)

MAPPI Membership No.: 96-S-00870

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WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

EXECUTIVE SUMMARY

- Client Name : United Oil Company Pte Ltd.
- User of the Report : For inclusion in 'shareholders' circular to be issued by United Oil Company Pte Ltd's parent company.
- Purpose of Valuation : United Oil Company Pte Ltd is considering of acquiring the shares of PT Pacific Lubritama Indonesia and as part of providing the values of the Valuation Objects as stated in the financial report.
- Property Type : Industrial Factory.
- Object Valuation : Buildings and site improvements, machinery and equipment, office equipment, air conditioning, forklifts and vehicles.
- Property Address : Jalan Kali Asin in the Village of Lumalang, Sub-District of Bojonegara, District of Bojonegara, Regency of Serang, Province of Banten – Indonesia.
- Land Tenure : The land where the factory compound of PT Pacific Lubritama Indonesia erected on is leased from Wiranto family. We assumed that the lease can be renewed. For the purpose of this valuation we have not valued the land, and the valuation is not affected by the land status.
- Description of Valuation Objects : Buildings, consisting of:

No.	Name of Building	Area (sqm.)
1.	Office Building	596
2.	Factory and warehouse	6,874
3.	Boiler House	168
4.	Weight Bridge House	14
5.	Workshop Building	116
6.	Pump House	44
7.	Transformer House	28
8.	Power House	82
9.	Terminal Office Building	90
10.	Terminal Pump House	68
11.	Mess Building	369
12.	Musholla (Praying House)	25
13.	Guard House	15
14.	Resting House	96
15.	Parking Building	132
	Total	8,714

Machinery and equipment, consisting of:

No.	Machinery and Equipment	Total Unit
1.	Production tank and pump machines	12 and 37 units
2.	Loading tank and pump machines	15 and 13 units
3.	Bottle and box Printer machines	12 units
4.	Bottle cap making machines	3 units

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

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5.	Packing machines	6 units
6.	Operation Support Equipment	3 units
7.	Workshop Equipment	5 units
8.	Fire Hydrant	3 units
9.	Weight Scale	13 units
10.	Flow Meter machine	10 units
11.	Laboratory Equipment	1 set

Forklift, vehicles, air conditionings, and office equipments consisting of:

No.	Item	Total Unit
1.	Forklift	8 units
2.	Vehicles	11 units
3.	Air Conditionings	31 units
4.	Office Equipments	20 units

Basis of Valuation : Fair Value.
Date of Valuation : 31 December 2016.
Valuation Approach : Cost Approach and Market Approach.
Value Conclusion :

Valuation Objects		Indicative Value
-	Building and Site Improvements	Rp.23,374,000,000.-
-	Machinery and Equipment	Rp.42,355,000,000.-
-	Forklifts	Rp.800,000,000.-
-	Vehicles	Rp.2,900,000,000.-
-	Air Conditionings	Rp.29,000,000.-
-	Office Equipment	Rp.32,000,000.-
Fair Value		Rp.69,490,000,000.-
(Indonesian Rupiahs Sixty Nine Billion Four Hundred Ninety Million Only)		

The above executive summary is to be used in conjunction with the Valuation Report to which it forms part and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

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ASSUMPTIONS AND LIMITING CONDITIONS

The Valuer has adopted the following assumptions in arriving at our opinion of the Fair Value:

- (i) We assume that the Valuation Objects are free from all liens and encumbrances, encompassing both physical and legal encumbrances;
- (ii) The Valuation Objects in this valuation are wholly-owned by PT Pacific Lubritama Indonesia;
- (iii) That all information relating to the Valuation Objects as provided by the Client to us is correct and accurate;
- (iv) This valuation is based on an evaluation of the current economic condition, which does not take into account nor make any provision for the effect of any sharp rise or decline in future economic conditions caused by the global financial crisis;
- (v) This valuation and report speak only as the Valuation Cut-Off Date. The Valuer takes no responsibility for any events, conditions or circumstances affecting the fair value of the Valuation Object that take place subsequent to either the Valuation Cut-Off Date or the issuance date of this report, whichever occurs first;
- (vi) the Valuation Objects are held under proper and valid ownership documents and that they can be sold or transferred in the open market without the benefit of a deferred contract, leaseback, joint venture, management agreement that could serve to increase the values;
- (vii) the Valuer makes no allowances for any charges, mortgages loans, expenses or taxation which may be incurred in acquiring or disposing the Valuation Object; and
- (viii) The Valuer reserves the right to revise this valuation should any of the information provided by the and/or the above assumptions that the Valuer has adopted in this valuation proof to be inaccurate.

This valuation report has been prepared subject to the following limiting conditions:

Report Limitation of Use

This valuation and report serve only for the specific purposes as mentioned above. The Valuer prohibits this valuation and report to be used for other purposes such as to be placed as collateral for bank loans, insurance purpose, reporting to the authority (OJK and /or Bappepam-LK and/or The Indonesia Stock Exchange), financial reporting, etc.

The Valuer may allow the whole or any part of this report to be published in any document, statement or circular, or in any communication with third parties in relation only to the intended purpose of this valuation. The Valuer disclaims taking any responsibility and will accept no liability to any other external and third parties which is not related to the intended purpose of this valuation.

Source of Information

This valuation is based upon the information supplied by the Client to the Valuer. All other information stated in the report without being attributed directly to the aforementioned parties is obtained from other parties whom the Valuer believes to be reliable. The Valuer accepts no responsibility if any of the information should prove to be not reliable.

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

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VALUATION

VALUATION APPROACH

To arrive at our conclusion of Fair Value of the Valuation Objects, we have adopted partly using Cost Approach and partly Market Approach.

The market approach measures the value of an asset through an analysis of recent sales or offerings of comparable businesses or assets, with adjustments made to account for differences between the subject asset being valued and the comparable assets used in the analysis.

The cost approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility, with the reproduction or replacement cost new being adjusted to reflect appropriate physical deterioration, functional obsolescence and economic obsolescence.

Some of the Valuation Objects are more applicable to be used with Cost Approach because this approach can be better adjusted to the specific features and the existing conditions of the Valuation Objects. Whereas, Market Approach is not used is because of there are not available or no direct similar objects can be found and compared to the Valuation Objects.

The Cost Approach is essentially estimating the current market value of value based on the depreciation of the replacement new cost. Need to be highlighted that the adopted approach in this valuation is mostly using cost approach but the information from this approach is mostly gathered from market information.

However, we also adopted Market Approach for some of the Valuation Objects like for office equipment, forklifts, and vehicles where we deemed there are lots of similar data and direct comparables can be found in the market.

While, Income Approach is not used in this valuation. This approach is not commonly used in valuing factories in Indonesia. The market data of how revenue can be generated from the factory buildings are not available in the market and there are no leased of factory buildings. That is why in our opinion in using Income approach for factories is not appropriate/applicable for this valuation.

Buildings and Other Site Improvements Value

We used cost approach for the valuation of buildings and site improvements due to the non standard size, specifications, shape of the buildings which are customised as a lubricant oil blending plant. Market approach is not applicable to be used in this Valuation Objects because no direct similar objects in a similar geographical location can be found and compared to the Valuation Objects.

To determine the cost of replacement new of the buildings and site improvements, we have given consideration to the prevailing cost of materials, labour, manufactured equipment and contractor's overhead and profit. Accrued depreciation in the form of physical deterioration, functional obsolescence and economic obsolescence is then deducted from the replacement cost new to arrive at the depreciated replacement cost.

We are not instructed to carry out structural surveys of the properties or to test any of the services, but we have reflected in our valuations, where necessary, any items of disrepair which we noticed during the course of our inspections.

Buildings and other site improvements are calculated using the reference of Cost of New Buildings based on Building Cost Table issued and updated periodically by Indonesian Society of Appraisers (*Masyarakat Profesi Penilai Indonesia/MAPPI*) and less the depreciation based on the age and actual

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

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condition of the existing field. The information of this Building Cost Table from *MAPP* are derived from market information which is updated periodically.

To determine the value of the buildings and other site improvements, we have adopted the following assumptions:

Valuation Object	Building Area (sqm.)	Replacement Cost New	Economic Life
Construction Cost			
Buildings	8,714	Rp. 23,317,111,580.-	Range between 20 to 40 years.
Site Improvements		Rp.9,455,650,000.-	All 20 years
Total Construction Cost		Rp32,772,761,580.-	
Soft Cost			
Professional Fee	about 3% of the total cost building and site improvement;		
Permits	about 1.5% of the total cost building and site improvement;		
Contractor's Fee	about 10% of the total cost building and site improvement.		

The total Replacement Cost New of the buildings and other site improvements plus the soft costs is about Rp.38,093,000,000.- and after calculated the depreciation, we concluded an indicative value of **Rp.23,374,000,000.-**

Machinery and Equipment including Air Conditionings

Assumptions for machinery and building equipment particularly air conditioning in this valuation are as one operation unit installed in the Building (in-Situ, In Place), and are used properly (on-going concern). There is security of tenure and a continuing provision of essential services to the site and the assets are wholly owned.

We used Cost Approach with Depreciated Replacement Cost method for the valuation of machinery and buildings equipment's due to non similarity, customization, or no direct comparables can be found in the market.

The new replacement cost, we have obtained by calculating the total costs paid to the unit installed and operating properly. These costs include unit price, shipping and transportation, insurance, handling, installation, taxes and etc.

The method of calculating the unit costs can be from various ways, whether directly obtained from the market, by Trending Method which is by calculating the new replacement cost in the past then multiplied by the appropriate index that has been obtained, or with Cost to Capacity Method by comparing the cost of new replacement of similar machine with the valued objects and adjusted further in terms of the capacity.

Accrued depreciation in the form of physical deterioration, functional obsolescence and economic obsolescence is then deducted from the replacement cost new to arrive the depreciated replacement cost.

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

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The summary of machinery and equipment as follows:

Description	Replacement Cost, New	Fair Value
- MACHINERY EQUIPMENT	Rp 73,117,540,000.-	Rp 38,556,990,000.-
Loading Discharge Terminal Pump.	Rp 1,847,550,000.-	Rp 1.080.820.000,-
Storage Tank - (Base Oil)	Rp 54,538,100,000.-	Rp 28.775.500.000,-
Loading Bay Terminal Pump	Rp 310,390,000.-	Rp 106.150.000,-
Loading Bay Terminal Pump	Rp 66,660,000.-	Rp 22.800.000,-
Set Piping Lines	Rp 4,540,020,000.-	Rp 2.247.310.000,-
Production Tank	Rp 6,090,110,000.-	Rp 2.733.230.000,-
Drum Filling Machine	Rp 1,979,610,000.-	Rp 1.158.070.000,-
Pail Filling Machine	Rp 329,930,000.-	Rp 193.010.000,-
Small Pack Filling Machine #1	Rp 622,980,000.-	Rp 364.440.000,-
Small Pack Filling Machine #2	Rp 622,980,000.-	Rp 364.440.000,-
Small Pack Filling Machine #3	Rp 716,180,000.-	Rp 451.190.000,-
Small Pack Filling Machine #4 (Tin)	Rp 1,081,850,000.-	Rp 876.300.000,-
Small Pack Filling Machine #5	Rp 371,180,000.-	Rp 183.730.000,-
- UTILITY	Rp 6,898,800,000.-	Rp 2,881,290,000.-
- LABORATORY EQUIPMENT	Rp 1,989,910,000.-	Rp 916,350,000.-
Total	Rp 82.006.250.000,-	Rp 42.354.630.000,-
Total (rounded)	Rp.82,000,000,000.-	Rp.42,355,000,000.-

Items	Replacement Cost New	Fair Value
32 units Air Conditionings	Rp.133,550,000.-	Rp.29,000,000.-

Office Equipment, Forklifts, and Vehicles

We have used market approach for the valuation of office equipment, forklifts, and vehicles.

The Fair Value of office equipment, vehicles, and forklifts are determined by making comparison with other similar objects in the market that are currently being offered for sale or had been recently transacted. Adjustments were made to reflect the differences in physical condition, age, features, function, obsolescence to arrive at the value.

Summary of office equipment, forklifts, and vehicles is as follows:

Items	Fair Value
20 units Office Equipment	Rp.32,000,000.-
11 units Vehicles (truck)	Rp.2,900,000,000.-
8 units Forklift	Rp.800,000,000.-

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

Report No. : 116/Letter-WS&R/V/2017.
Date of Valuation : 31 December 2016.

APPENDIX B
EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



Jones Lang LaSalle

WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

VALUATION CONCLUSION

Our conclusion on the Fair Value of the Valuation Objects as of 31 December 2016, which is not being separated from the limiting conditions, assumptions, statements and notes contained in this report are:

Valuation Objects		Indicative Value
-	Building and Site Improvements	: Rp.23,374,000,000.-
-	Machinery and Equipment	: Rp.42,355,000,000.-
-	Forklifts	: Rp.800,000,000.-
-	Vehicles	: Rp.2,900,000,000.-
-	Air Conditionings	: Rp.29,000,000.-
-	Office Equipment	: Rp.32,000,000.-
Fair Value		: Rp.69,490,000,000.-
(Indonesian Rupiahs Sixty Nine Billion Four Hundred Ninety Million Only)		

Valuation of Buildings and Site Improvements, Machinery and Equipment, Office Equipment, Air Conditioning, Forklifts, and Vehicles Belonging to PT Pacific Lubritama Indonesia, Bojonegara, Serang, Banten – Indonesia.

Report No. : 116/Letter-WS&R/V/2017.
Date of Valuation : 31 December 2016.

APPENDIX B

EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

Jasa Penilaian Properti (wilayah kerja seluruh Indonesia)
Izin KJPP No. 2.16.0137 Izin KJPPA No.S-619/MK.1/2016
Gedung Bursa Efek Indonesia Tower 2, Lt. 28 - Suite 2805
Jl. Jend. Sudirman Kav.52-53, Jakarta 12190 - Indonesia
Tel: +62 21 515 2955 Fax: +62 21 515 2954

Letter No.: 117/Letter-WS&R/V/2017
25 May 2017

To:
United Oil Company Pte Ltd
14 Tuas Drive 2,
Singapore

**Re : VALUATION OF ASSETS BELONGING TO PT PACIFIC LUBRITAMA INDONESIA
IN PEKANBARU, SIDOARJO AND JAKARTA - INDONESIA.**

Dear Sirs,

Based on our valuation proposal No. 033-Eng/Proposal/II/2017 dated 2 March 2017, United Oil Company Pte Ltd (the Client) has appointed KJPP Wiseso Saladin & Rekan in association with JLL (Jones Lang LaSalle) to conduct an independent valuation to determine the Fair Value of the Valuation Objects in relation that United Oil Company Pte Ltd is considering of acquiring the shares of PT Pacific Lubritama Indonesia and as part of providing the values of the Valuation Objects as stated in the financial report.

Wiseso Saladin & Rekan is a certified public appraisal firm (or locally termed as *Kantor Jasa Penilai Publik / KJPP*) in a form of a partnership, which is holding License No: 2.16.0137 from the Minister of Finance of the Republic of Indonesia pursuant to the Decree No 741/KM.1/2016 dated 22 July 2016.

Wiseso Saladin & Rekan is an independent member firm of JLL (Jones Lang LaSalle), a world's leading professional services and investment management firm specializing in real estate, which is headquartered in Chicago – USA. Wiseso Saladin & Rekan is the valuation service arm of JLL in Indonesia.

Our status in this assignment is as an independent property valuation service. We do not have any conflict of interest, directly or indirectly, with the Client, the user of the report, and the property that will be the object of valuation. We will conduct this valuation professionally, objectively, and will not take side to any party.

Valuation Purposes

United Oil Company Pte Ltd is considering of acquiring the Valuation Objects as part of the shares acquisition of the owning company of PT Pacific Lubritama Indonesia and as part of providing the value of the Valuation Objects as stated in financial report. Considering the above purposes, the Client require us to provide the opinion of Fair Values of the Valuation Objects.

Valuation Standards

Our valuation will make references to the Sixth Edition of the Indonesian Valuation Standards (SPI) Year 2015, and we will abide to the Indonesia Valuers' Code of Conduct (KEPI). The Indonesia Valuation Standards (SPI) is making full reference to the International Valuation Standard (IVS).

There are no material differences between the Sixth Edition of the Indonesia Valuation Standards (*Standar Penilaian Indonesia / SPI*) – 2015 and the International Valuation Standards (IVS) as published by the International Valuation Standards Council.

APPENDIX B

EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

Valuation Date

The Client requirement that the valuation will be indicated as of the 31 December 2016.

Basis of Valuation

We have valued the Valuation Objects based on its Fair Value which is defined as “the estimated amount of price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

Valuation Objects

1. 4 Adjoined Units of Shophouses in Pekanbaru, Riau.

- Type of Property : Shophouses.
- Address : Jalan Soekarno Hatta No. 1-4, Sub-district of Labuh Baru Timur, District of Payung Sekaki, City of Pekanbaru, Province of Riau – Indonesia.
- Land Area : 1,298 square meters.
- Land Certificate : The Valuation Object is registered under 4 (four) Right to Build/Leasehold certificates (*Hak Guna Bangunan/HGB*) certificates which are all registered under PT Pacific Lubritama Indonesia.

Land Certificate	Land Area (square meters)
HGB No. 705/Labuh Baru Timur	318
HGB No. 706/Labuh Baru Timur	317
HGB No. 707/Labuh Baru Timur	340
HGB No. 708/Labuh Baru Timur	323
Total land area	1,298

- Building Description : Type : 4 (four) adjoined shophouses.
Number of Storeys : Three storeys.
Building Floor Area : About 1,184 square meters.
Building Permit No. : 370/IMB/DTRB/2013.
- Zoning : According to our inquiries with the local town planning office, the subject site is zoned for commercial use.
- Valuation Approach : We have adopted the Market Approach for this Valuation Object.
- Valuation Conclusion : **Fair Value**
Rp.9,492,000,000.-
(Indonesian Rupiahs Nine Billion Four Hundred Ninety Two Million Only).

2. A Warehouse Unit in Sidoarjo, East Java.

- Type of Property : Warehouse.
- Address : Ritz Gate Warehouse Estate – District 99 Block BD 15, Sub-District of Bohar, District of Taman, Regency of Sidoarjo, Province of East Java – Indonesia

APPENDIX B
EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

- Land Area : 360 square meters.
- Land Certificate : The land certificate has not been issued by Ritz Gate District 99 Industrial Estate. However, we are provided with Cover Letter No. 04/ST/III/2017 issued at 20 March 2017 by Public Notary stating that the property is owned by PT Pacific Lubritama Indonesia.
- Building Description : Number of Storeys : Single storey with additioned mezzanine office.
Building Floor Area : 360 square meters plus 72 square meters of the mezzanine office.
- Zoning : According to our inquiries with the local town planning office, the subject site is zoned for industrial use.
- Valuation Approach : We have adopted the Market Approach for this Valuation Object.
- Valuation Conclusion : **Fair Value**
Rp.2,810,000,000.-
(Indonesian Rupiahs Two Billion Eight Hundred Ten Million Only).

3. Buildings, Inventory of Furniture and Fixtures, Office Equipment, and 11 Motor Vehicles in Jakarta, DKI Jakarta.

- Type of Property : Buildings, inventory of furniture and fixtures, office equipment and 11 motor vehicles.
- Address : Jalan Kapuk Kamal Raya No. 23 B, Sub District of Tegal Alur, District of Kalideres, City of West Jakarta, Province of DKI Jakarta – Indonesia.
- Land Area : Leased from Wiranto family and this land not included in the valuation.

We were provided by the Client with lease agreement No. 71 and 72 made in front of Notary of Makmur Tri Darma, SH dated 30 November 2016. The lessor is Wiranto family while the lessee is Herry Defjan on behalf of PT. Pacific Lubritama Indonesia. The land area under leased is 500 square meters, with lease period of 30 years from 1 January 2014 until 31 December 2043.
- Building Description : 1. Office Building
Number of Storeys : 4 storeys with 1 level basement.
Building Floor Area : 2,045 square meters.

2. Warehouse
Number of Storeys : 1 Storey.
Building Floor Area : 625 square meters.
- Zoning : According to our inquiries with the local town planning office, the subject site is zoned for industrial use.
- Valuation Approach : Buildings and inventory of furniture and fixtures – Cost Approach
Office equipment and motor vehicles – Market Approach

APPENDIX B
EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



Jones Lang LaSalle

WISESO SALADIN & REKAN
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Valuation Conclusion : Buildings
Fair Value
Rp.15,174,000,000.-
(Indonesian Rupiahs Fifteen Billion One Hundred Seventy Four Million Only).

Inventory of furniture and fixtures, office equipment and 11 motor vehicles.

Fair Value
Rp.1,532,000,000.-
(Indonesian Rupiahs One Billion Five Hundred Thirty Two Million Only).

Assumptions and Limiting Conditions

- (i) We assume that the Valuation Objects are free from all liens and encumbrances, encompassing both physical and legal encumbrances;
- (ii) The Valuation Objects in this valuation are wholly-owned by PT Pacific Lubritama Indonesia;
- (iii) That all information relating to the Valuation Objects as provided by the Client to us are correct and accurate;
- (iv) This valuation is based on an evaluation of the current economic condition, which does not take into account nor make any provision for the effect of any sharp rise or decline in future economic conditions caused by the global financial crisis;
- (v) This valuation and report speak only as the Valuation Cut-Off Date. The Valuer takes no responsibility for any events, conditions or circumstances affecting the market value of the Valuation Object that take place subsequent to either the Valuation Cut-Off Date or the issuance date of this report, whichever occurs first;
- (vi) the Valuation Objects are held under proper and valid ownership documents and that they can be sold or transferred in the open market without the benefit of a deferred contract, leaseback, joint venture, management agreement that could serve to increase the values;
- (vii) the Valuer makes no allowances for any charges, mortgages loans, expenses or taxation which may be incurred in acquiring or disposing the Valuation Object; and
- (viii) The Valuer reserves the right to revise this valuation should any of the information provided by the and/or the above assumptions that the Valuer has adopted in this valuation proof to be inaccurate.

APPENDIX B
EXECUTIVE SUMMARIES OF THE VALUATION REPORTS



Jones Lang LaSalle

WISESO SALADIN & REKAN
KANTOR JASA PENILAI PUBLIK

Finally, the Valuer may allow the whole or any part of this letter/report to be published in any document, statement or circular, or in any communication with third parties in relation only to the intended purpose of this valuation. The Valuer disclaims taking any responsibility and will accept no liability to any other external and third parties which is not related to the intended purpose of this valuation.

Yours faithfully,

Kantor Jasa Penilai Publik (KJPP)
Wiseso Saladin & Rekan

A circular stamp with the text 'WISESO SALADIN & REKAN' is overlaid with a handwritten signature in black ink.

Andi Saladin, MAPPI (Cert.)

Partner

Licensed Public Valuer No.: P-1.09.00250 (Property Valuation)

OJK Registration No. 25/PM.22/STTD-P/A/2016 (Property Valuation)

MAPPI Membership No.: 96-S-00870

NOTICE OF EXTRAORDINARY GENERAL MEETING

UNITED GLOBAL LIMITED

(Company Registration No.: 201534604M)
(Incorporated in the Republic of Singapore)

Unless otherwise defined herein, all capitalised terms used herein shall have the same meaning ascribed thereto in the circular to shareholders issued by United Global Limited dated 6 June 2017 (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **UNITED GLOBAL LIMITED** (the "**Company**") will be held at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard (Tower 5), #02-401/402 Suntec City Mall, Singapore 038983 on 21 June 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, the following resolutions.

ORDINARY RESOLUTION 1: THE PROPOSED ACQUISITION OF 95% OF THE TOTAL ISSUED AND PAID-UP SHARES OF PT PACIFIC LUBRITAMA INDONESIA AS AN INTERESTED PERSON TRANSACTION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 2, 3 and 4:

- (a) pursuant to Chapter 9 of the Catalist Rules, approval be and is hereby given for the proposed acquisition of 95% of the total issued shares of PT Pacific Lubritama Indonesia from the Sellers ("**Proposed Acquisition**") as an interested person transaction;
- (b) approval be and is hereby given for the Proposed Acquisition at the purchase consideration of S\$18,240,000 ("**Consideration**") and on the terms and subject to the conditions set out in the SPA; and
- (c) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable, expedient or in the interests of the Company to give effect to the matters contemplated by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED ALLOTMENT AND ISSUANCE OF 8,789,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO EDY WIRANTO PURSUANT TO THE PROPOSED ACQUISITION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 3 and 4:

- (a) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, the Directors be hereby authorised to allot and issue 8,789,000 Consideration Shares at an issue price of S\$0.30 for each Consideration Share to Edy Wiranto upon the terms and conditions of the SPA; and
- (b) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable, expedient or in the interests of the Company to give effect to the matters contemplated by this Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3: THE PROPOSED ALLOTMENT AND ISSUANCE OF 12,305,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO EMI WIRANTO PURSUANT TO THE PROPOSED ACQUISITION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 4:

- (a) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, the Directors be hereby authorised to allot and issue 12,305,000 Consideration Shares at an issue price of S\$0.30 for each Consideration Share to Emi Wiranto upon the terms and conditions of the SPA; and
- (b) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable, expedient or in the interests of the Company to give effect to the matters contemplated by this Resolution.

ORDINARY RESOLUTION 4: THE PROPOSED ALLOTMENT AND ISSUANCE OF 12,305,000 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.30 FOR EACH CONSIDERATION SHARE TO ETY WIRANTO PURSUANT TO THE PROPOSED ACQUISITION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 3:

- (a) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, the Directors be hereby authorised to allot and issue 12,305,000 Consideration Shares at an issue price of S\$0.30 for each Consideration Share to Ety Wiranto upon the terms and conditions of the SPA; and
- (b) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable, expedient or in the interests of the Company to give effect to the matters contemplated by this Resolution.

ABSTENTION FROM VOTING

Each of the interested persons in respect of the Proposed Transactions and their associates shall abstain from exercising any voting rights on Ordinary Resolutions 1 to 4 set out in this Notice of EGM.

By Order of the Board

Tan Thuan Hor, Jacky
Executive Director/ Chief Executive Officer

6 June 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 14 Tuas Drive 2, Singapore 638647 not less than 72 hours before the time appointed for holding the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

UNITED GLOBAL LIMITED

(Company Registration No. 201534604M)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF Investors and SRS Investors (collectively "CPF and SRS Investors") who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the EGM to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport/Company Registration No.)

of _____

being a member/members* of UNITED GLOBAL LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Number of Shares	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Number of Shares	Proportion of shareholdings (%)

as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "EGM") of the Company to be held at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard (Tower 5), #02-401/402 Suntec City Mall, Singapore 038983, on 21 June 2017 at 10:00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/ proxies* to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

Ordinary Resolution	Number of Votes For	Number of Votes Against
1. The Proposed Acquisition of 95% of the total issued and paid-up shares of PT Pacific Lubritama Indonesia as an interested person transaction		
2. The proposed allotment and issuance of 8,789,000 Consideration Shares at the issue price of S\$0.30 for each Consideration Share to Edy Wiranto pursuant to the Proposed Acquisition		
3. The proposed allotment and issuance of 12,305,000 Consideration Shares at the issue price of S\$0.30 for each Consideration Share to Emi Wiranto pursuant to the Proposed Acquisition		
4. The proposed allotment and issuance of 12,305,000 Consideration Shares at the issue price of S\$0.30 for each Consideration Share to Ety Wiranto pursuant to the Proposed Acquisition		

If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total Number of Ordinary Shares Held	
CDP Register	
Register of Members	

Signature of Shareholder(s) or Common Seal
of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

*Delete where inapplicable



PROXY FORM

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to 2 proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints 2 proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 14 Tuas Drive 2, Singapore 638647 not less than 72 hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF Investors and SRS Investors (collectively "CPF and SRS Investors") who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the EGM to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 June 2017.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.