

CIRCULAR DATED 25 OCTOBER 2019

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

If you are in any doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section entitled “Definitions”.

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 Capital Private Limited. This 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 this Circular. The contact person for the Sponsor is Ms. Tay Sim Yee, at 1 Robinson Road #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.



UNITED GLOBAL LIMITED

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO
THE PROPOSED DISPOSAL OF 40% OF THE TOTAL ISSUED AND PAID-UP
SHARE CAPITAL OF UNITED OIL COMPANY PTE LTD**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 9 November 2019 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 12 November 2019 at 10.00 a.m.

Place of Extraordinary General Meeting : 1 Raffles Boulevard, Level 3, Meeting Room 330,
Suntec Singapore International Convention &
Exhibition Centre, Singapore 039593

TABLE OF CONTENTS

	Page
DEFINITIONS	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	9
2. THE PROPOSED DISPOSAL	10
3. RULE 1006 OF THE CATALIST RULES	18
4. USE OF PROCEEDS ARISING FROM THE PROPOSED DISPOSAL	20
5. FINANCIAL INFORMATION OF UOC	20
6. POST-DISPOSAL OF UOC GROUP	22
7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL	22
8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	24
9. IRREVOCABLE UNDERTAKING	24
10. DIRECTORS' RECOMMENDATIONS	25
11. DIRECTORS' RESPONSIBILITY STATEMENT	25
12. ADVICE TO SHAREHOLDERS	25
13. SERVICE CONTRACTS	26
14. THE EGM	26
15. ACTIONS TO BE TAKEN BY SHAREHOLDERS	26
16. DOCUMENTS FOR INSPECTION	27
SCHEDULE 1 – DETAILS OF UOC	28
SCHEDULE 2 – DETAILS OF PLI	29
SCHEDULE 3 – ADDITIONAL DISCLOSURES TO BE INCLUDED IN THE QUARTERLY RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT	30
SCHEDULE 4 – POST-DISPOSAL GROUP STRUCTURE	31
NOTICE OF EXTRAORDINARY GENERAL MEETING	32
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

“6M2019”	:	The six-month financial period ended 30 June 2019
“Adjustment”	:	Working Capital Adjustment less the Net Debt Adjustment
“Annual Report”	:	The annual report of the Company for FY2018
“Announcement”	:	The announcement by the Company on 30 September 2019 in relation to the Proposed Disposal
“Anticipated Earnout Amount”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Anticipated Earnout Period 1”	:	Means the period between 1 January 2021 to 31 December 2021
“Anticipated Earnout Period 2”	:	Means the period between 1 January 2022 to 31 December 2022
“Anticipated Earnout Target 1”	:	Means US\$25,800,000
“Anticipated Earnout Target 2”	:	Means US\$30,900,000
“Associate(s)”	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he or his immediate family (whether directly or indirectly) have an interest of 30% or more; and (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST’s Listing Manual Section B Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 25 October 2019 in relation to the Proposed Disposal

DEFINITIONS

“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company” or “UGL”	:	United Global Limited
“Completion”	:	Completion of the Proposed Disposal in accordance with the Share Purchase Agreement and as set out in Section 2.7 of this Circular
“Completion Accounts”	:	Has the meaning ascribed to it in Section 2.4.2 of this Circular
“Completion Amount”	:	Has the meaning ascribed to it in Section 2.4.1 of this Circular
“Completion Date”	:	The date on which Completion occurs, being the last business day of a calendar month following the satisfaction (or waiver, as the case may be) of all Conditions Precedent, or such other date as the Company and the Purchaser may agree in writing
“Conditions Precedent”	:	Has the meaning ascribed to it in Section 2.5 of this Circular
“Consideration”	:	The consideration for the Sale Shares payable by the Purchaser to the Company in accordance with the provisions of the Share Purchase Agreement, further details of which are set out in Section 2.4 of this Circular
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder(s)”	:	A person who (a) holds directly or indirectly 15% or more of all voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
“Current Assets”	:	Has the meaning ascribed to it in Section 2.4.2 of this Circular
“Current Liabilities”	:	Has the meaning ascribed to it in Section 2.4.2 of this Circular
“Deadlock Notice”	:	Refers to the notice that any shareholder of UOC shall be entitled to serve on another shareholder of UOC within fifteen (15) days of a Deadlock Situation having arisen, a copy of such notice which is to be given to the board of directors of UOC, to declare that a Deadlock Situation has arisen
“Deadlock Situation”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Deferred Consideration”	:	Means the amount calculated and/or determined in accordance with Section 2.4.3 of this Circular (also referred to as the “Earnout Amount”, see below)
“Director(s)”	:	The directors of the Company for the time being
“Earnout Amount”	:	Means the amount calculated and/or determined in accordance with Section 2.4.3 of this Circular

DEFINITIONS

“ Earnout Auditing Firm ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ Earnout Contribution Margin Target ”	:	Means US\$34,200,000, being the target as agreed by the Company and the Purchaser for the contribution margin of the UOC Group at the end of the Earnout Period
“ Earnout Dispute Notice ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ Earnout Dispute Period ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ Earnout Period ”	:	Means the period between 1 January 2023 to 31 December 2023
“ Earnout Resolution Request ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ Earnout Review Period ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ EGM ”	:	The extraordinary general meeting of the Company. Unless the context otherwise requires, “ EGM ” shall refer to the extraordinary general meeting to be convened and held at 10.00 a.m., on 12 November 2019 at 1 Raffles Boulevard, Level 3, Meeting Room 330, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593
“ EPS ”	:	Earnings per Share
“ Final Earnout Contribution Margin ”	:	Means the contribution margin as at the end of the Earnout Period (or Anticipated Earnout Period 1 or Anticipated Earnout Period 2, as may be applicable), determined in the manner set out in Section 2.4.3 of this Circular
“ Final Earnout Contribution Margin Statement ”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“ Final Net Debt ”	:	Means the Net Debt as at Completion, calculated by subtracting total cash and cash-equivalents from the sum of bank borrowings and debt-like items which include, <i>inter alia</i> , dividend payable, pension liabilities etc.
“ Final Working Capital ”	:	Means the working capital as at Completion, and shall be determined as at the Completion Date based on the Current Assets less the Current Liabilities
“ FY2018 ”	:	Financial year of the Company ended or ending 31 December 2018 (as the case may be)
“ Group ”	:	The Company and its subsidiaries
“ IDR ”	:	Indonesian Rupiah, being the lawful currency of the Republic of Indonesia
“ Initial Consideration ”	:	Means the amount of US\$36,500,000, being 40% of the enterprise value of the UOC Group
“ Irrevocable Undertaking ”	:	Has the meaning ascribed to it in Section 9 of this Circular
“ Latest Practicable Date ”	:	10 October 2019, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Net Debt”	:	The calculation of the net debt of the UOC Group in US\$ at a given date
“Net Debt Adjustment”	:	Means the difference between the Final Net Debt and the Net Debt Reference
“Net Debt Reference”	:	The amount of US\$9,000,000, corresponding to the best estimate of the Net Debt of the UOC Group as at Completion
“NTA”	:	Net tangible assets
“Proposed Anticipated Earnout Amount”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Proposed Disposal”	:	The proposed disposal of the Sale Shares by the Company to the Purchaser
“Proposed Earnout Amount”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Proposed Final Earnout Contribution Margin”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Purchaser”	:	Repsol Downstream Internacional S.A.
“PLI”	:	PT Pacific Lubritama Indonesia
“Reference Working Capital”	:	Means the expected working capital of the UOC Group of US\$21,100,000 as at the Completion Date
“Repsol”	:	Repsol S.A.
“Sale Shares”	:	The 14,959,600 ordinary shares representing 40% of the total issued and paid-up share capital of UOC as set out in the table in Section 2.3 of this Circular to be sold to the Purchaser by the Company in accordance with the provisions of the Share Purchase Agreement
“Sanctioned Country”	:	Means any governments, countries or territories subject to comprehensive Sanctions (full embargo)
“Sanctioned Person”	:	Means any person included in: (i) the OFAC “Specially Designated Nationals and Blocked Persons” list (SDN List), (ii) the United Nations Security Council Consolidated Sanction List, (iii) the Consolidated List of Persons, Groups and Entities subject to European Union Financial Sanctions, (iv) the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty’s Treasury, or (v) any other list of a similar nature administered by a relevant sanctions authority
“Sanctions”	:	Means any applicable trade, economic or financial sanctions embargos and export/import control laws, regulations and policies, or similar restrictive measures approved, adopted or implemented by the United Nations Security Council, the European Union, the Spanish Government, Her Majesty’s

DEFINITIONS

	Treasury (HMT) of the United Kingdom, the United States Government (including its Office of Foreign Assets Control, "OFAC"), or any other relevant sanctions authority applicable to each member of the UOC Group, the Purchaser, and its suppliers and subcontractors
"Securities Account"	: A securities account maintained by a Depositor with the CDP but does not include a securities sub-account maintained with a Depository Agent
"SFA"	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SFRS (I)"	: Refers to Singapore Financial Reporting Standards (International) issued by the Accounting Standards Council Singapore
"SGX-ST"	: The Singapore Exchange Securities Trading Limited
"Share Purchase Agreement"	: The share purchase agreement dated 30 September 2019 entered into between the Company and the Purchaser in connection with the Proposed Disposal
"Shareholders"	: Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is the CDP, the term "Shareholders" shall mean the Depositors who have Shares credited to their Securities Account
"Shareholders' Agreement"	: Has the meaning ascribed to it in Section 2.6 of this Circular
"Shares"	: Ordinary shares in the capital of the Company
"Substantial Shareholder"	: A person who has an interest in not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
"Taiwan United Oil"	: Taiwan United Oil Co. Ltd (台灣油力特股份有限公司)
"United Oil Australia"	: United Oil Australia Pty Ltd
"UOC"	: United Oil Company Pte Ltd
"UOC Group"	: UOC, PLI and any subsidiary of UOC or PLI but excludes Taiwan United Oil Co. Ltd (台灣油力特股份有限公司) and United Australia Pty Ltd
"US\$"	: United States dollars and cents, being the lawful currency of the United States of America
"Working Capital Adjustment"	: Means the difference between the Final Working Capital and the Reference Working Capital
"\$", "S\$" and "cents"	: Singapore dollars and cents, respectively
"%" or "per cent"	: Percentage or per centum

DEFINITIONS

The terms “**treasury shares**”, “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meanings ascribed to them in the Companies Act.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Catalist Rules) contained in this Circular are of such laws and regulations as at the Latest Practicable Date.

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

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

UNITED GLOBAL LIMITED

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

Directors

Edy Wiranto (*Non-Executive Chairman*)
Tan Thuan Hor, Jacky (*Executive Director and CEO*)
Ety Wiranto (*Executive Director*)
Mah Kah On, Gerald (*Lead Independent Director*)
Tan Teng Muan (*Independent Director*)
Leong Koon Weng (*Independent Director*)

Registered Office

14 Tuas Drive 2
Singapore 638647

25 October 2019

To: The Shareholders of United Global Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF KEY OPERATING SUBSIDIARIES – UNITED OIL COMPANY PTE LTD AND PT PACIFIC LUBRITAMA INDONESIA

1. INTRODUCTION

On 30 September 2019, the Board announced that the Company had on 30 September 2019 entered into the Share Purchase Agreement with the Purchaser, pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares representing 40% of the issued and fully paid-up share capital of UOC. Upon completion of the Proposed Disposal, the Company will hold 60.0% of the issued and paid up share capital of UOC.

A copy of the Announcement is available on the website of SGX-ST at www.sgx.com.

Following the Proposed Disposal, the Company will account for the UOC Group as a joint venture in their financial statements, as UOC will be considered an entity jointly controlled by the Company and the Purchaser. Please refer to Section 5.2 of the Circular for the reasons as to the Company deeming the UOC Group as a joint venture post-Completion. Upon Completion, the Company will report its interests in the UOC Group in its consolidated quarterly financial results announcements as a line item in its profit and loss statements as “Share of joint venture’s profit or loss” and a corresponding entry in its balance sheet as “Investment in joint venture”. Additional disclosures may also be made to provide more clarity on the business performance of the UOC Group, at the reasonable discretion of the Board. For more information on the additional disclosures which will be included in the consolidated quarterly results announcements and Annual Report, please refer to Section 5.2 and Schedule 3 of this Circular. The Company will also report its interests in the UOC Group in accordance with the Singapore Financial Reporting Standards (International) in its Annual Report, which provides guidance on the disclosure in the notes to the financial statements.

As such, the Company will convene an EGM to obtain Shareholders’ approval for the Proposed Disposal, taking into account (a) the Sale Shares, being 40.0% of a principal subsidiary, is a substantial portion of the Group’s core business; and (b) the resultant changes to the accounting treatment of the UOC Group upon Completion.

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposed Disposal. The Directors are convening an EGM to be held at 10.00 a.m. on 12 November 2019 at 1 Raffles Boulevard, Level 3, Meeting Room 330, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593 to seek Shareholders’ approval for the Proposed Disposal. The notice of EGM is set out on pages 32 to 33 of this Circular.

LETTER TO SHAREHOLDERS

The SGX-ST assumes 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.

2. THE PROPOSED DISPOSAL

2.1 Information on UOC

UOC was incorporated in Singapore on 13 March 1999, and as at the Latest Practicable Date, has an issued and paid-up share capital of S\$14,019,700, comprising 37,399,000 ordinary shares, all of which are held collectively by the Company.

UOC holds 100.0% of the total issued share capital of Ichiro Corporation Co., Ltd¹ and 95.0% of the total issued share capital of PLI (but excluding that of Taiwan United Oil (台灣油力特股份有限公司) and United Oil Australia following the divestment of Taiwan United Oil and deregistration of United Oil Australia (each a “**Group Company**” and collectively, the “**UOC Group**”). The Company’s Non-Executive Chairman, Mr. Edy Wiranto, and Mr. Hartanto Budidharma hold the remaining 4.99% and 0.01% of the total issued share capital of PLI respectively.

As at the date of this Circular, the UOC Group is principally engaged in the manufacturing and distribution of lubricants.

Further information on UOC and PLI is set out in Schedules 1 and 2 of this Circular.

2.2 Information on the Purchaser

The Purchaser is Repsol Downstream Internacional S.A., a company incorporated under the laws of Spain with registered tax identification number A28165314. It is a subsidiary of Repsol S.A. (“**Repsol**”), an international oil and gas company listed on the Madrid Stock Exchange (Bolsa de Madrid). The Purchaser is principally engaged in the production and marketing of oil derivatives.

The Purchaser and the Company are independent parties and neither the Company nor UOC have had previous dealings with the Purchaser. As part of its Strategic Plan 2018-2020, with goals to internationalize and grow its downstream unit, Repsol had reached out to the Company with a proposal to acquire a 40% stake in UOC, undergirded by Repsol’s ambition to establish a regional manufacturing hub in the Asia-Pacific region for Repsol products and to increase Repsol’s presence in South-east Asia, one of the world’s largest and fastest-growing lubricants markets.

2.3 The Sale Shares

Pursuant and subject to the terms of the Share Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, free from all encumbrances and together with all rights, dividends, distributions and entitlements attaching or accruing to the Sale Shares on the Completion Date at the Consideration.

Details of the Sale Shares are as follows:

	Company Registration No.	Country of Incorporation	Sale Shares / As a percentage of total issued share capital
United Oil Company Pte Ltd	199901228N	Singapore	14,959,600 ordinary shares / 40%

The Company, its Directors and Substantial Shareholders do not have any interest (whether direct or indirect) in the Purchaser and are not related to the Purchaser.

¹ Ichiro Corporation Co., Ltd is not reflected in the post-disposal Group Structure as per Schedule 4 of the Circular as it is a dormant subsidiary.

LETTER TO SHAREHOLDERS

2.4 Consideration and Payment Terms

2.4.1 Consideration

The total consideration for the Sale Shares (“**Consideration**”) is calculated based on the Initial Consideration less 40% of the Net Debt Reference, as adjusted (“**Adjustment**”) to take into account (i) the variation in the position between the Net Debt Reference and the Final Net Debt, and (ii) the variation in the position between the Final Working Capital and the Reference Working Capital, plus the Earnout Amount or the Anticipated Earnout Amount, as the case may be (as defined in Section 2.4.3 below).

Consideration:

	US\$	
Initial Consideration (being 40% of UOC Group’s enterprise value)	36,500,000	(as defined in Section 2.4.1) and subject to net debt and working capital adjustments at Completion
Deferred Consideration or Earnout Amount	10,000,000 (up to)	(as defined in Section 2.4.3 below)
Total	46,500,000 (up to)	

As at the Completion Date, the amount to be paid by the Purchaser (the “**Completion Amount**”) is derived by subtracting an amount equal to 40% of the Net Debt Reference from the Initial Consideration of US\$36,500,000, as shown below:

Completion Amount = Initial Consideration [US\$36,500,000] - Net Debt Reference at 40%

In accordance with terms of the Share Purchase Agreement, the Consideration shall be satisfied entirely in cash as follows:

- (i) the Completion Amount shall be paid to the Company at Completion;
- (ii) any Adjustment to the Completion Amount (as to which, see Section 2.4.2 below), based on the consolidated management accounts of the UOC Group as at Completion, shall be paid to either the Company (by the Purchaser) or to the Purchaser (by the Company), within five (5) days after the Adjustment is determined in accordance with the terms of the Share Purchase Agreement; and
- (iii) the Earnout Amount or the Anticipated Earnout Amount shall be paid in accordance with Section 2.4.3 below.

All payments shall be effected by crediting for same day value to the relevant payee’s account as specified in the Share Purchase Agreement by way of irrevocable telegraphic transfer on the due date for payment.

The Consideration was arrived at after arms’ length negotiations, on a willing-buyer, willing-seller basis, after taking into consideration *inter alia*, the net assets value of the UOC Group, the strategic value of the UOC Group to Repsol and *vice versa*, and the potential earnings quality of the UOC Group.

Based on the Group’s latest audited financial statements for FY2018 and the latest announced unaudited consolidated financial statements for 6M2019:

- (a) The net book value of the UOC Group as at 31 December 2018 and 30 June 2019 was US\$26,962,000 and US\$29,128,000 respectively;

LETTER TO SHAREHOLDERS

- (b) the net tangible asset value of the UOC Group as at 31 December 2018 and 30 June 2019 was US\$26,384,000 and US\$29,603,000 respectively; and
- (c) the net profit attributable to the UOC Group for FY2018 and 6M2019 was US\$7,484,000 and US\$4,756,000 respectively.

Repsol has performed feasibility studies and due diligence investigations into the UOC Group's existing business and operations. The Repsol in-house mergers & acquisitions team has also explored with the Company the potential synergies between Repsol and the UOC Group on an extended basis. The parties then negotiated the valuation and terms to derive the disposal consideration.

No independent formal valuation was conducted on the UOC Group by the Company for the purpose of the Proposed Disposal, since the transaction was initiated by Repsol. As the proposed disposal was premised on the business synergy and the future collaboration opportunities between Repsol and UOC (refer to Section 2.8.2 of the Circular for more details), the Company is of the view that a formal valuation of the UOC Group would be of limited utility, given that the Consideration had to be weighed against the scope and value of the business synergy brought about by Repsol, which was itself the subject of negotiation. To assess Repsol's offer, the Board used the average traded price of UGL shares as a proxy for a minimal acceptable valuation for the disposal consideration.

2.4.2 Adjustment to Completion Amount

Pursuant to the Share Purchase Agreement, the Completion Amount will be subject to the Net Debt Adjustment (being the difference between the Final Net Debt and the Net Debt Reference) and Working Capital Adjustment (being the difference between the Final Working Capital and the Reference Working Capital), in view that any excess or deficit may arise from the net debt component and working capital component as at the Completion Date. In view of the foregoing, the formula for adjusting the Completion Amount is as follows:

$\begin{aligned} \text{Consideration} &= \text{Completion Amount} - \text{Net Debt Adjustment at 40\%} \\ &+ \\ &\text{Working Capital Adjustment at 40\%} \end{aligned}$

The Final Net Debt is to be computed by subtracting total cash and cash-equivalents from the sum of bank borrowings and debt-like items which includes, *inter alia*, dividend payable, pension liabilities etc. as at Completion. The Final Working Capital is to be computed by subtracting Current Liabilities¹ from Current Assets² as at Completion. The Net Debt Reference and Reference Working Capital of the UOC Group used for computing the Consideration are US\$9,000,000 and US\$21,100,000 respectively.

The Adjustment (being the Working Capital Adjustment less the Net Debt Adjustment) will be determined by the Company subsequent to Completion and will be based on the figures of the consolidated management accounts of the UOC Group to be prepared at the end of the calendar month in which Completion occurs. The proposed Adjustment together with the supporting calculations, documents and a report from UOC's auditors supporting the calculation and determination of the Adjustment shall be provided by the Company to the Purchaser for its verification of the Adjustment. The Purchaser has 60 days from receipt to decide whether to dispute the proposed Adjustment, failing which the Adjustment would be final and binding on the parties.

¹ "Current Liabilities" means the amount equivalent to the sum of, *inter alia*, trade payables, other payables, accruals, non-corporate tax payables in the consolidated management accounts of the UOC Group to be prepared at the end of the calendar month in which Completion occurs, including (1) statement of profit or loss and other comprehensive income; (2) statement of financial position; (3) statement of changes in equity; and (4) statement of cash flow ("Completion Accounts").

² "Current Assets" means the amount equivalent to the sum of, *inter alia*, trade receivables, allowance for doubtful debts, other receivables, other deposits, prepayments and deferred payment, income tax receivables (non-corporate tax only), and inventory in the Completion Accounts.

LETTER TO SHAREHOLDERS

In the event that the Purchaser objects to the proposed Adjustment, the Company and the Purchaser shall negotiate in good faith to come to an agreement as to the amount of the Adjustment, failing which an independent audit firm shall be engaged to resolve the items under dispute. If the audit firm decides all the items in dispute in favour of one party, the other party shall pay all the fees and expenses of the audit firm. If the audit firm decides some of the items in dispute in favour of one party and other items in favour of the other party, each party shall be responsible for one half of the fees and expenses of the audit firm.

Subject to the Company and the Purchaser agreeing on the Adjustment, the Adjustment mechanism is as follows:

- (i) if the Adjustment is positive, the Purchaser shall pay to the Company an amount equal to 40% of the difference between the Working Capital Adjustment and the Net Debt Adjustment; or
- (ii) if the Adjustment is negative, the Company shall pay to the Purchaser an amount equal to 40% of the difference between the Net Debt Adjustment and the Working Capital Adjustment; or
- (iii) if the Adjustment is zero, no further payment shall be required by either party.

As at the date of this Circular, no Adjustment to the Completion Amount has been determined. For the purpose of the computation of the relative figures under Rule 1006 of the Catalist Rules, the Company estimates (based on the unaudited announced financial results for the 6M2019) that the Adjustment attributable to the Sale Shares may be a positive US\$109,000.

2.4.3 Deferred Consideration or Earnout Amount

The Purchaser will pay the Company a Deferred Consideration or Earnout Amount with payment of up to US\$10,000,000, if the UOC Group achieves a Final Earnout Contribution Margin near to or exceeding US\$34,200,000, being the Earnout Contribution Margin Target during the Earnout Period, as follows:

- (i) US\$10,000,000, if the Final Earnout Contribution Margin of the UOC Group at the end of the Earnout Period as determined in accordance with the Share Purchase Agreement is equal to or greater than 110% of the Earnout Contribution Margin Target;
- (ii) US\$5,000,000, if the Final Earnout Contribution Margin of the UOC Group during the Earnout Period is equal to 100% of the Earnout Contribution Margin Target; and
- (iii) nothing, if the Final Earnout Contribution Margin of the UOC Group during the Earnout Period is equal to or below 90% of the Earnout Contribution Margin Target.

The Earnout Amount shall be calculated in accordance with the thresholds set out above on a sliding-scale basis if the Final Earnout Contribution Margin of the UOC Group falls between 90.01% to 109.99% of the Earnout Contribution Margin Target during the Earnout Period. In no circumstances may the Earnout Amount exceed US\$10,000,000 or be a negative number.

Deadlock Situation

If a Deadlock Situation arises between 1 January 2022 and 31 December 2023 that cannot be resolved within sixty (60) days of the service of the Deadlock Notice, resulting in the termination of the Shareholders' Agreement (as defined in Section 2.6 below), the Earnout Amount shall be revised (such revised Earnout Amount being the "**Anticipated Earnout Amount**") and determined as follows:

LETTER TO SHAREHOLDERS

- (a) if the Deadlock Situation arises between 1 January 2022 and 31 December 2022, the Anticipated Earnout Amount shall be:
- i. US\$5,000,000, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 1 is equal to or greater than 110% of the Anticipated Earnout Target 1;
 - ii. US\$2,500,000, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 1 is equal to 100% of the Anticipated Earnout Target 1; and
 - iii. nothing, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 1 is equal to or below 90% of the Anticipated Earnout Target 1,

as determined in accordance with the Share Purchase Agreement and with reference to the consolidated audited accounts of the UOC Group for the UOC Group's financial year 2021, which shall be delivered by the Company to the Purchaser along with a Proposed Final Earnout Contribution Margin and the Proposed Anticipated Earnout Amount to be paid, or

- (b) if the Deadlock Situation arises between 1 January 2023 and 31 December 2023, the Anticipated Earnout Amount shall be:
- i. US\$7,500,000, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 2 is equal to or greater than 110% of the Anticipated Earnout Target 2;
 - ii. US\$3,750,000, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 2 is equal to 100% of the Anticipated Earnout Target 2; and
 - iii. nothing, if the Final Earnout Contribution Margin of the UOC Group during the Anticipated Earnout Period 2 is equal to or below 90% of the Anticipated Earnout Target 2,

as determined in accordance with the Share Purchase Agreement and with reference to the consolidated audited accounts of the UOC Group for the UOC Group's financial year 2022, which shall be delivered by the Company to the Purchaser along with a Proposed Final Earnout Contribution Margin and the Proposed Anticipated Earnout Amount.

Each of the Anticipated Earnout Amount in paragraphs (a) and (b) above shall be calculated in accordance with the above on a sliding-scale basis if the Final Earnout Contribution Margin of the UOC Group falls between 90.01% to 109.99% of the Anticipated Earnout Target 1 or Anticipated Earnout Target 2 (as may be applicable) during the Anticipated Earnout Period 1 or Anticipated Earnout Period 2 (as may be applicable). In no circumstances may the Anticipated Earnout Amount exceed US\$5,000,000 in the case of the Anticipated Earnout Amount in paragraph (a) and US\$7,500,000 in the case of the Anticipated Earnout Amount in paragraph (b), or be a negative number in either case.

Where:

"Deadlock Situation" refers to either of the following situations: -

- (a) when a resolution is proposed at two (2) separate consecutive duly convened meetings of the shareholders of UOC or the board of directors of UOC, as the case may be and in each instance, either the Purchaser (or a director appointed by the Purchaser) or the Company (or a director appointed by the Company) votes against or abstains from voting on the resolution (unless one of their number proposed the resolution in question); or

LETTER TO SHAREHOLDERS

- (b) when a shareholder of UOC refuses to ensure that the necessary quorum for a meeting of the shareholders of UOC is achieved pursuant to the procedures set out in the Shareholders' Agreement or the directors appointed by that shareholder refuse to ensure that the necessary quorum for a board meeting is achieved pursuant to the procedures set out in the Shareholders' Agreement (such that in each case the relevant meeting has been adjourned twice with no quorum being present).

“**Final Earnout Contribution Margin**” shall be determined based on the total sales generated by the UOC Group, less the costs of goods sold and selling and distribution expenses, and adding the amortization of research and development and depreciation of plant, property and equipment utilized for the manufacturing operations of the UOC Group. Certain items are excluded in the computation of the Final Earnout Contribution Margin. These items include, *inter alia*, (i) marketing expenses related to Repsol branded products, Repsol branded products royalty expenses and expatriate costs related to employees appointed by Repsol, (ii) sales generated outside the normal course of business and non-core business sales for instance rental income, (iii) non-recurring income, (iv) profit from opportunity trading business outside the normal course of business and (v) revenues generated from commercialization of Repsol products in countries other than Indonesia, Singapore, Malaysia or Vietnam.

2.4.4 Payment of the Earnout Amount

Within thirty (30) days of the issuance of the consolidated audited accounts of the UOC Group for the financial year 2023, the Company shall deliver them to the Purchaser along with a Proposed Final Earnout Contribution and the Proposed Earnout Amount (if any) to be paid.

The Purchaser shall have a period of sixty (60) days after delivery of the Proposed Final Earnout Contribution Margin and the Proposed Earnout Amount by the Company, being the “**Earnout Review Period**”, to review the same and to notify the Company of any dispute or disagreement it may have indicating, with a reasonable level of detail, the reasons, elements and amounts in relation to which the Purchaser disagrees or maintains a certain position in respect of any item (the “**Earnout Dispute Notice**”). During the Earnout Review Period, the Company shall provide access to all information required by the Purchaser or its advisors.

If, by the expiry of the Earnout Review Period, no Earnout Dispute Notice is received by the Company, or the Purchaser has notified the Company that there are no items it wishes to dispute, then the Proposed Final Earnout Contribution Margin and the Proposed Earnout Amount shall be final and binding on the Company and the Purchaser.

If an Earnout Dispute Notice is notified by the Purchaser to the Company, as to any item in dispute, the Company and the Purchaser shall negotiate in good faith in order to come to an agreement as to the amount of the Final Earnout Contribution Margin and the Earnout Amount within twenty (20) days of receipt of the Earnout Dispute Notice by the Company (the “**Earnout Dispute Period**”). Any agreement or resolution arising from the negotiations shall be final and binding on the Company and the Purchaser.

If, by the expiry of the Earnout Dispute Period, any items under dispute remain unresolved, either the Company or the Purchaser may, upon delivery of written notice to the other party (the “**Earnout Resolution Request**”), within five (5) days after the expiration of the Earnout Dispute Period, require that such unresolved items be submitted to an independent auditor (the “**Earnout Auditing Firm**”) and submit the same to the Earnout Auditing Firm for resolution.

Within ten (10) days after (i) the date on which the Proposed Final Earnout Contribution Margin has been considered as final and binding pursuant to the Share Purchase Agreement or (ii) the date as agreed by the Company and the Purchaser or (iii) the Earnout Auditing Firm's decision, the Purchaser shall prepare and send to the Company a statement (the “**Final Earnout Contribution Margin Statement**”) comprising the figures (either as agreed or as determined by the Earnout Auditing Firm) of: (a) the Final Earnout Contribution Margin, and (b) the Earnout Amount.

LETTER TO SHAREHOLDERS

Within fifteen (15) days following the delivery of the Final Earnout Contribution Margin Statement by the Purchaser to the Company, the Purchaser shall pay the Earnout Amount (if any) to the Company (subject to any right of set-off that the Purchaser may have accrued under the Share Purchase Agreement).

2.5 Conditions Precedent for the Completion

Completion of the Proposed Disposal is conditional upon, *inter alia*, the following conditions (“**Conditions Precedent**”) being satisfied or waived:

- a. there being no material breach of any representation and warranty made by the Company contained in the Share Purchase Agreement as of the date of the Share Purchase Agreement and as of the Completion Date. “**Material breach**” means a breach of any representation and warranty made by the Company contained in the Share Purchase Agreement which results, between the date of the Share Purchase Agreement and as at Completion, in a reduction or prospective reduction of the net asset value of the UOC Group of US\$250,000 or more;
- b. provision of evidence satisfactory to the Purchaser of the valid and effective winding up and liquidation and/or disposal of (i) Taiwan United Oil (台灣油力特股份有限公司) and (ii) United Australia or the transfer of these companies from UOC to the Company on terms satisfactory to the Purchaser that no accrued or contingent liabilities relating to those companies remain with UOC;
- c. the Company having obtained the Shareholders’ approval at an EGM to be held and having complied with all legal and regulatory requirements (including the Catalist Rules of SGX-ST) in respect of the Proposed Disposal;
- d. provision of evidence satisfactory to the Purchaser of the complete and effective unwinding, termination or rescission by UOC, PLI and any subsidiary of the UOC Group of any commercial dealings (whether in writing or otherwise) with any Sanctioned Person or Sanctioned Country;
- e. there being no event of Force Majeure (as defined in the Share Purchase Agreement) occurring between the date of Share Purchase Agreement and the Completion Date which has a material adverse effect on any company within the UOC Group. “**Material adverse effect**” means any circumstances or events which results in or is likely to result in a material adverse effect on the business, or the assets, or operations of any company within the UOC Group, not being a circumstance or event affecting generally all companies carrying on similar businesses in countries in which a company within the UOC Group carries on business to a like extent, which in the reasonable opinion of the Purchaser individually or in the aggregate causes or is likely to cause the net asset value of the UOC Group to decrease by more than US\$800,000 over three (3) years;
- f. evidence of renewal and/or extension of, or fresh entry into contracts for, all distribution agreements to which PLI is a party that have expired but where PLI is continuing to distribute products through such distributor; and evidence of registration of these distribution agreements and all other distribution agreements to which PLI is party with the Ministry of Trade in Indonesia, along with the signed statement letter from each agent and/or distributor stating that it is the appointed agent and/or distributor for the principal;
- g. evidence of cancellation of and/or full satisfaction of the debt amounting to US\$7,167,000 owing from UOC to the Company; and
- h. copies of the duly executed management services agreements between the Company and UOC and PLI respectively reflecting the revised management fees payable to the Company as agreed between the Company and the Purchaser.

LETTER TO SHAREHOLDERS

If any of the Conditions Precedent is not fulfilled or waived by the relevant party by 31 January 2020, or such later date as may be reasonably extended by the Purchaser, giving notice in writing to the Company, the Share Purchase Agreement shall automatically terminate in accordance with the terms of the Share Purchase Agreement. In the event that the Share Purchase Agreement is terminated by the Purchaser due to the non-fulfilment of any of the Conditions Precedent, the rights and obligations of the parties under the Share Purchase Agreement shall cease immediately, save for any rights and obligations of the parties which have accrued prior to termination (and save that if either party (the “**non-defaulting party**”) (acting reasonably) wishes to proceed to Completion on the terms set out in the Share Purchase Agreement and the other party (the “**defaulting party**”) does not proceed accordingly, the defaulting party shall reimburse the non-defaulting party for all costs reasonably incurred by the non-defaulting party in connection with the transactions contemplated by the Share Purchase Agreement, including costs relating to the due diligence enquiries and transaction evaluation, up to a maximum of US\$500,000).

As at the Latest Practicable Date, none of the Conditions Precedent described above have been satisfied.

The Directors wish to highlight that there is no certainty or assurance that the Proposed Disposal may be duly completed in accordance with the terms of the Share Purchase Agreement. As disclosed in the Announcement and this Circular, the Proposed Disposal is subject to various Conditions Precedent stipulated in the Share Purchase Agreement. Please refer to Section 2.5 of this Circular for more details on the Conditions Precedent for Completion.

Shareholders should bear these risks in mind when deciding whether or not to vote in favour of the Proposed Disposal described in this Circular.

2.6 Other Salient Terms of the Share Purchase Agreement

On Completion, the Purchaser and the Company will also enter into a shareholders' agreement in connection with their rights and obligations in UOC (“**Shareholders' Agreement**”). In particular, the Shareholders' Agreement provides that:

- (a) the Company and the Purchaser shall procure that UOC distributes each year a minimum amount of 30% of the audited after-tax net profits for the previous financial year, provided that UOC has satisfied its programmed, due and payable debt-payments for the current financial year at the time such dividend or distribution is made and has made appropriate and prudent reserve for capital expenditures and other future investments as contemplated in its annual business plan and strategic business plan, working capital and similar purposes, and reimbursement of any shareholder loans, as may be proposed by the directors of UOC and decided by the Company and the Purchaser at a general meeting of UOC;
- (b) neither the Company nor the Purchaser shall transfer, whether directly or indirectly, any of its shares in UOC for a period of four (4) years from the Completion Date, unless the prior written consent of the other party has been obtained; and
- (c) in the event Mr Wiranto, Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto (“**Wiranto Family**”) collectively hold 50% or less of the total issued share capital of the Company (subject to certain specified exemptions), or if Mr. Tan Thuan Hor, Jacky ceases to be the Chief Executive Officer of the UOC for any reason other than death, incapacity or repudiatory conduct of UOC within five (5) years from the Completion Date, or if any of the Controlling Shareholders of the Company is convicted of any offence involving dishonesty, fraud or corruption, the Company shall compulsorily transfer all its shares in UOC to the Purchaser at a selling price which shall be the reasonable value as determined by an independent expert chosen by the Company from a list of three experts provided by the Purchaser. This is subject, *inter alia*, to the requirements of the Catalist Rules and the Company will seek Shareholders' approval in accordance with the Catalist Rules if required. The foregoing

LETTER TO SHAREHOLDERS

trigger events for the Purchaser's right of compulsory transfer of its UOC shares is premised on the Purchaser's assessment of the importance that Mr. Tan Thuan Hor, Jacky (as CEO of UOC), and the Wiranto Family (as Controlling Shareholders of the Company) respectively play towards the attainment of the Purchaser's objectives in acquiring a 40% stake in UOC.

2.7 Completion of the Proposed Disposal

Completion shall take place at the offices of the Purchaser's solicitors on the last business day of a calendar month following the satisfaction or waiver of all Conditions Precedent in the Share Purchase Agreement or at such other time and place as the Company and the Purchaser may agree ("**Completion**").

At Completion, the Company shall, *inter alia*, deliver or cause to be delivered to the Purchaser the stipulated documents and evidence set out in the Share Purchase Agreement and to procure that the several meetings of the directors of the UOC Group are duly convened and held and the resolutions approving, *inter alia*, the various transactions contemplated for the completion of the Proposed Disposal are duly passed thereat.

At Completion (and subject to due compliance by the Company with its obligations under the Share Purchase Agreement), the Purchaser shall procure the payment of the Completion Amount by delivering or making available to the Company the proof of payment.

2.8 Rationale for the Proposed Disposal

- 2.8.1 Upon completion of the Proposed Disposal, the UOC Group will become a joint-control entity of Repsol, a company listed on the Madrid Stock Exchange, and be part of one of the top companies in the oil and gas industry. The Company believes that it is in a good position to enter into a strategic partnership with Repsol in order to seek new growth opportunities together.
- 2.8.2 The Company believes that the UOC Group will be able to leverage on Repsol's international brand presence to enhance its production and distribution under various brands, both quantitatively, and also on a qualitative level. The Company believes the Group will benefit from Repsol's enhanced brand development, quality-control know-how and overall management expertise. Further, the synergies between the UOC Group and Repsol, and the UOC Group's ability to manufacture and supply Repsol's brand of products in Singapore, Indonesia, Malaysia and Vietnam (where the Group will have exclusivity to sell the Repsol products into), will accelerate the growth of the UOC Group in this region and increase its business volume.
- 2.8.3 As a 60% shareholder of the UOC Group, the Company believes that such development is expected to bring significant economic value to the Company.
- 2.8.4 The Proposed Disposal will also enable the Company to partially realise the value of its investments in the UOC Group, which will in turn allow the Company to diversify into other activities to fund the future expansion of the Group into sustainable long-term businesses through entering into mergers and acquisitions and joint ventures as well as establishing new lines of businesses.

3. RULE 1006 OF THE CATALIST RULES

3.1 General Rule under Chapter 10 of the Catalist Rules

Under Rule 1014 of the Catalist Rules, it is provided that where any of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules for a disposal exceeds 50%, the transaction is classified as a major transaction. Rule 1014 of the Catalist Rules further states that a major transaction must be made conditional upon the Shareholders' approval in a general meeting.

LETTER TO SHAREHOLDERS

3.2 Application of Rule 1006 of the Catalyst Rules

The relative figures for the Proposed Disposal is computed on the bases set out in Rule 1006(a) to (e) of the Catalyst Rules based on the Group's latest announced unaudited consolidated financial statements for 6M2019, 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 ⁽¹⁾	29.2%
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits ⁽²⁾	41.3%
(c)	The aggregate value of the Consideration received, compared with the Company's market capitalisation ⁽³⁾	43.3%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Pursuant to Rule 1002(3)(a) of the Catalyst Rules, "net assets" is defined as total assets less total liabilities. The Group's net assets as at 30 June 2019 was US\$41.2 million and the UOC Group's net assets attributable to the Sale Shares as at 30 June 2019 was US\$12.0 million.
- (2) Pursuant to Rule 1002(3)(b) of the Catalyst Rules, "net profits" is defined as profits before income tax, minority interests and extraordinary items. The Group's profit before tax for 6M2019 was US\$5.5 million and the UOC Group's profit before tax attributable to the Sale Shares for 6M2019 was US\$2.3 million.
- (3) Based on the Consideration of US\$46,609,000 which includes the Initial Consideration of US\$36,500,000 and the aggregate of a positive Net Debt Adjustment and Working Capital Adjustment attributable to the Sale Shares of US\$109,000 as of 30 June 2019 and maximum Earnout Amount of US\$10,000,000 (being approximately S\$64,404,000 based on an exchange rate of US\$1:S\$1.3818) and the Company's market capitalisation of approximately S\$148,619,000 on 23 September 2019 (being the last Market Day preceding the date of the Share Purchase Agreement), computed based on the Company's volume weighted average price of S\$0.47 per Share and the Company's issued and paid-up capital of 316,211,360 Shares.
- (4) This is not an acquisition.
- (5) The Company is not a mineral, oil and gas company.

As the relative figures computed on the bases set out above exceed 5% but do not exceed 50%, the Proposed Disposal is a "discloseable transaction" under Rule 1010 of the Catalyst Rules. Notwithstanding the above, the Company will convene an EGM to seek Shareholders' approval for the Proposed Disposal, taking into consideration (a) the Sale Shares, being 40.0% of a principal subsidiary, is a substantial portion of the Group's core business; and (b) the resultant changes to the accounting treatment of the UOC Group upon Completion. Please refer to paragraph 5.2 below on the changes to the accounting treatment of the UOC Group upon Completion.

Upon Completion of the Proposed Disposal, the Company's core business will still be the manufacturing and distribution of lubricants. Given that the Company will continue to hold 60% equity interests in the UOC Group, the Board remains committed to deliver results on its core business. Please also refer to paragraph 2.8 for the rationale for the Proposed Disposal.

LETTER TO SHAREHOLDERS

4. USE OF PROCEEDS ARISING FROM THE PROPOSED DISPOSAL

Based on the Initial Consideration, assuming there is no Adjustment and excluding the Earnout Amount, the Proposed Disposal will result in an estimated gain of US\$24.9 million over the book value of the Sale Shares of US\$11.6 million as at 30 June 2019. The estimated net cash proceeds from the Proposed Disposal (based on the Initial Consideration, assuming no Adjustment and excluding the Earnout Amount), and after deducting the estimated expenses to be incurred in connection with the Proposed Disposal, is approximately US\$36.3 million.

The Company intends for the net proceeds raised to fund future business expansions, investments and acquisitions when suitable opportunities arise.

Pending the deployment of the unutilised proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short term money markets and/or marketable securities, or used for any other purpose on a short term basis, as the Directors may deem appropriate in the interests of the Group.

5. FINANCIAL INFORMATION OF UOC

5.1 Profit and Loss Statements and Balance Sheets

Based on the unaudited financial statements of the UOC Group for FY2018 and the unaudited financial statements of the UOC Group for 6M2019, the financial information of the UOC Group is set out below:

	6M2019 US\$'000	FY2018 US\$'000
Turnover	63,285	108,472
Gross profit	10,131	20,480
Profit before taxation	5,724	9,362
Profit after taxation	4,794	7,565

	6M2019 US\$'000	FY2018 US\$'000
Current assets	54,376	45,567
Non-current assets	9,193	12,971
Total Assets	63,569	58,538
Current liabilities	32,608	29,852
Non-current liabilities	869	814
Total Liabilities	33,477	30,666
NET ASSETS	30,092	27,872

5.2 Accounting for and Disclosure of Financial Information of UOC Group Post-Completion

At present, UOC Group is a subsidiary of the Company and its assets, liabilities, equity, income, expenses and cashflows are combined with that of the Company's to form the consolidated financial statements.

Upon Completion of the Proposed Disposal, as the Company and the Purchaser have agreed on a number of key areas at both the shareholder and board level of UOC that require the unanimous consent of both parties, in particular, the yearly business plan and forecast (including but not limited to the marketing plan, sales plan, employment plan, purchase and investment plan of UOC), dividend distribution policy and any amendments required thereto, this would amount to a sharing of control of the UOC Group by both parties. The Management has assessed, and in consultation with its external auditors, had concluded that the UOC Group post-completion will be considered a joint venture in accordance with SFRS (I) 11 Joint Arrangements ("SFRS(I) 11").

LETTER TO SHAREHOLDERS

SFRS(I) 11 outlines the accounting by entities that jointly control an arrangement where joint control involves the contractually agreed sharing of control, and it is defined in SFRS(I) 11 as “the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.”

SFRS(I) 11 further specifies that “A joint venture is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.”

In accordance with SFRS(I) 11, a joint venturer (i.e. a party that has joint control of a joint venture and in this instance, the Company and the Purchaser) should recognise its interest in that joint venture in accordance with SFRS(I) 28 *Investments in Associates and Joint Ventures* (“SFRS(I) 28”). SFRS(I) 28 requires joint venturers (i.e. the Company and the Purchaser) to use the equity method to account for joint ventures.

SFRS(I) 28 further defines the equity method as a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor’s share of net assets of the investee. The profit or loss of the investor includes the investor’s share of the profit or loss of the investee, and the investor’s other comprehensive income includes its share of the investee’s other comprehensive income. Accordingly, post-disposal, the UOC Group’s assets, liabilities, equity, income, expenses and cashflows will not be combined with the Company’s to form the consolidated financial statements. Instead, Company’s investment in the UOC Group Post-Completion will be reflected in its consolidated statement of financial position and consolidated profit and loss statements as “Investment in joint ventures” and “Share of joint venture’s profit or loss” respectively.

Under the SFRS(I), the guidance disclosure items required in respect of the Group’s joint venture, will be set out in the notes to the audited financial statements, as disclosed in Schedule 3 of this Circular. Apart from these guidance disclosure items, the Company has also included additional disclosure items (highlighted in grey in the Schedule 3 of the Circular), which will be contained in the quarterly results announcement and Annual Report. The Company and Board have reviewed the format of the disclosure items to be included in the quarterly financial announcements of the Company and in its Annual Report, which exceed the requirements under the relevant accounting standards. The Board will review the scope of the additional disclosures regularly and in any event, at least once a year, to ensure that these disclosures continue to be relevant and adequate.

In addition, the Company will provide a brief review of the performance of the UOC Group for each quarter, where appropriate. A review on the financial performance of the UOC Group will also be provided in the Company’s Annual Report, where necessary. However, this will not be to the same level of specificity as was disclosed prior to UOC being a jointly controlled entity. The Board shall use its best endeavours to procure and ensure that the Company continues to comply with SGX-ST listing rules, including making the necessary disclosure, where material and relevant, of financial information in the results announcement and Annual Report.

Based on the foregoing and under Catalist Rule 103(4), the Board is of the view that adequate information will be made available to Shareholders to understand the financial position of the Group upon Completion of the Proposed Disposal, and taking into account the interests of the Purchaser and Shareholders of the Company.

The Sponsor is of the view that sufficient information will be made available to Shareholders to understand the financial position of the Group post Completion, after taking into consideration the oversight provided by the Board in relation to the financial disclosure requirements as required under the SGX-ST listing rules, significant line items (as per Schedule 3 of the Circular) which will be disclosed in the financial results announcements and annual report and the review of the scope of the additional disclosures undertaken by the Board on a regular basis, to ensure that the additional disclosures continue to be relevant and adequate.

LETTER TO SHAREHOLDERS

6. POST-DISPOSAL OF UOC GROUP

Post disposal, the Board is of the view that the remaining business constitutes a viable business suitable for listing due to the following factors:

- (i) Following the Proposed Disposal, the Company still retains a 60% majority stake in UOC. In all likelihood, with the projected increase in volume and depth brought about by the Repsol partnership, the UOC Group's lubricant business will be just as important to the Company, if not more so. Clearly, the UOC Group's lubricant business will remain the focus of the Company's core business for some time to come;
- (ii) The business synergy that is expected to be generated from the close collaboration between the UOC and Repsol teams as set out in Sections 2.8.1 and 2.8.2 of this Circular. As mentioned in Section 2.8.2 of this Circular, Repsol will grant exclusive distribution rights to the UOC Group to sell its full range of products (including but not limited to its premium range) in Singapore, Malaysia, Indonesia and Vietnam. Repsol has also agreed to enter into a long-term arrangement for UOC and PLI to manufacture Repsol products for sale to Repsol for its distribution outside of the UOC Group's exclusive territories. As such, this will likely increase the manufacturing volume and revenue of UOC and PLI and enhance the overall financial performance of the Company.
- (iii) Post-disposal, the Company still maintains sufficient control over the operations and management of UOC Group, notwithstanding that UOC Group is deemed a joint control entity subsequent to Completion. This is because post-disposal, insofar as the UOC Group is concerned, an Executive Committee (the "Exco"), comprising 8 members (of which 5 are the Company's appointees and 3 Repsol's appointees) will be responsible for the day-to-day management and control of the UOC Group pursuant to the Shareholders Agreement (which will be entered into following Completion). The Company has majority control of the Exco, and the Exco is further headed by the Company's and UOC's CEO Mr Tan Thuan Hor, Jacky. The Exco is specifically tasked with formulating the business plan for the UOC Group on an annual basis, which is then placed before the UOC's board of directors. Once the board has vetted the business plan, the Exco is further tasked to execute the business plan for the year, and the Exco may do so without further need for recourse to the board of UOC (save where a change to the business plan is proposed or on matters that fall outside the purview of the business plan).
- (iv) The joint control arrangement will not affect the rest of the Company's present and future operations outside of the UOC Group. The Company intends to redeploy some of the proceeds from the Proposed Disposal to fund the expansion of this independent arm of the Company into sustainable long-term businesses through mergers and acquisitions, joint ventures, as well as establishing new lines of business. The Company has already commenced exploring new business activities and has established new business divisions in the areas of renewable energy services, manufacture and distribution of nano-fibre absorbent materials, and distribution of petroleum fuel and other related products. An organisational chart setting out the Group's structure and the various subsidiaries post-disposal is found in Schedule 4 of this Circular. The Company envisioned that this independent arm of the Group will in time to come contribute to a significant portion of the Group's overall business and operations.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The proforma financial effects of the Company after the Proposed Disposal set out below are for illustrative purposes only and do not reflect the actual future financial position and performance of the Company or the Group following the Completion of the Proposed Disposal.

The financial effects of the Proposed Disposal on the Group are prepared based on the Group's audited consolidated financial statements for FY2018 and the estimated Consideration of approximately US\$36,500,000. The estimated Consideration was calculated based on the Initial Consideration of US\$36,500,000, assuming no Adjustment and excluding the Earnout Amount.

LETTER TO SHAREHOLDERS

For the purpose of computing the earnings per share (“EPS”) of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was completed on 1 January 2018. For the purpose of computing the net tangible assets (“NTA”) per share and gearing of the Group, it is assumed that the Proposed Disposal was completed on 31 December 2018.

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 2019 and (ii) the expenses incurred in relation to the Proposed Disposal.

7.1 Share Capital

As at the date of this Circular, the issued and paid-up capital of the Company is S\$28,720,112 comprising 316,211,360 Shares. The Company does not hold any treasury shares. As the Proposed Disposal does not involve the issue and allotment of any new Shares, the Proposed Disposal will have no effect on the share capital of the Company.

7.2 NTA

Assuming that the Proposed Disposal was completed on 31 December 2018, the effect of the Proposed Disposal on the NTA per Share of the Group for FY2018 would be as follows:

As at 31 December 2018	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ attributable to the owners of the Company (US\$'000)	35,828	100,740 ⁽²⁾
Number of Shares	316,211,360	316,211,360
NTA per Share (US cents)	11.33	31.86

Notes:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets (net of non-controlling interests).
- (2) NTA Includes (i) estimated gain on disposal of the Sale Shares of US\$27.2 million; and (ii) gain on remeasurement of the remaining 60.0% UOC shares of US\$40.7 million due to de-consolidation.

7.3 EPS

Assuming that the Proposed Disposal was completed on 1 January 2018, the effect of the Proposed Disposal on the EPS of the Group for FY2018 would be as follows:

FY2018	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to owners of the Company (US\$'000)	7,599	75,032 ⁽¹⁾
Weighted average number of Shares	316,211,360	316,211,360
EPS (US cents)	2.40	23.73

Note:

- (1) Includes (i) estimated gain on disposal of the Sale Shares of US\$27.2 million; and (ii) gain on remeasurement of the remaining 60.0% UOC shares of US\$40.7 million due to de-consolidation.

7.4 Gearing

This is not meaningful as the Group is in a net cash position both before and after the Proposed Disposal.

LETTER TO SHAREHOLDERS

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

8.1 Interests in the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors or Substantial Shareholders has any direct or deemed interest in the Shares of the Company:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Mr. Edy Wiranto ⁽²⁾	8,789,000	2.78	3,170,600	1.00	11,959,600	3.78
Mr. Tan Thuan Hor, Jacky ^{(3) (5)}	98,166,250	31.04	12,714,200	4.02	110,880,450	35.06
Ms. Ety Wiranto ^{(4) (5)}	12,714,200	4.02	98,166,250	31.04	110,880,450	35.06
Mr. Mah Kah On, Gerald	–	–	–	–	–	–
Mr. Tan Teng Muan	–	–	–	–	–	–
Mr. Leong Koon Weng	–	–	–	–	–	–
Substantial Shareholder other than Directors as disclosed above						
Mr. Wiranto ⁽⁶⁾	126,007,410	39.85	–	–	126,007,410	39.85

Notes:

- (1) The percentage of issued share capital is calculated on the basis of 316,211,360 Shares, excluding any treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Mr. Edy Wiranto is deemed interested in the shares held by his spouse, Ms. Cindy Lie, by virtue of Section 4 of the SFA.
- (3) Mr. Tan Thuan Hor, Jacky holds 98,166,250 Shares directly, of which 350,000 Shares are held in his nominee account with Raffles Nominees (Pte) Limited.
- (4) Ms. Ety Wiranto holds 12,714,200 Shares directly in her nominee account with Raffles Nominees (Pte) Limited.
- (5) Ms. Ety Wiranto and Mr. Tan Thuan Hor, Jacky are spouses and are deemed interested in each other's shares, by virtue of Section 4 of the SFA.
- (6) Mr. Wiranto is the father of Mr. Edy Wiranto and Ms Ety Wiranto and father-in-law of Mr Tan Thuan Hor, Jacky.

8.2 Interests in the Proposed Disposal

Saved as disclosed in this Circular, none of the Directors or Controlling Shareholders of the Company or their respective Associates has any interest, directly or indirectly, in the Proposed Disposal other than through their respective shareholding interests in the Company.

9. IRREVOCABLE UNDERTAKING

The Company's Controlling Shareholder and Director, Mr. Tan Thuan Hor, Jacky, and the Company's Controlling Shareholder, Mr. Wiranto, have on a joint and several basis irrevocably undertaken to the Purchaser ("**Irrevocable Undertaking**") that, *inter alia*:

- (a) they will take all steps in their power as director and/or shareholder of the Company to promote the holding of the EGM of the Company;
- (b) subject to any prohibition or restriction under any applicable law, regulation, code, rule, policy, condition, ruling, guideline or requirement, including but not limited to those of or imposed by the SGX-ST and the Securities Industry Council, they will (in respect of all

LETTER TO SHAREHOLDERS

shares owned by them in the Company as at the date of the EGM), in person or by representative or proxy, vote in favour of all resolutions which are proposed at the EGM, to approve the Proposed Disposal and make consequential changes to the Company's accounting policies;

- (c) subject to any prohibition or restriction under any applicable law, regulation, code, rule, policy, condition, ruling, guideline or requirement, they will (in respect of all Shares owned by them at the relevant date), vote against any proposed sale of all or of any part of the shares in the Company to any party other than the Purchaser; and
- (d) they will not transfer any Shares owned by them.

The Irrevocable Undertaking has an expiry date of 31 January 2020, that being the long-stop date for the fulfilment of the Conditions Precedent to the completion of the Proposed Disposal.

As at the date of this Circular, Mr. Tan Thuan Hor, Jacky (excluding his deemed interests) and Mr. Wiranto hold an aggregate of 224,173,660 Shares, representing approximately 70.89% of the issued and paid up share capital of the Company.

10. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Disposal, are of the view that the Proposed Disposal is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution in respect of the Proposed Disposal as set out in the notice of EGM.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his/her specific investment, he/she should consult his/her professional adviser.

11. 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 Disposal, 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.

12. ADVICE TO SHAREHOLDERS

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

LETTER TO SHAREHOLDERS

13. SERVICE CONTRACTS

Post-Completion, the board of directors of UOC shall comprise five (5) directors, of which the Company shall have the right to appoint three (3) directors, and the Purchaser shall have the right to appoint two (2) directors. The proposed nominees of the Company on the board of directors of UOC after the Proposed Disposal are Mr. Tan Thuan Hor, Jacky, Ms Ety Wiranto and Mr. Herry Defjan.

The proposed nominees of the Company, and their respective designations, on the Executive Committee of UOC after the Proposed Disposal are as follows:

- (a) Mr. Tan Thuan Hor, Jacky, Chief Executive Officer;
- (b) Mr. Alex Lim, Executive Officer (Manufacturing – Asia Pacific);
- (c) Mr. Tan Thuan Seng, Shawn, Executive Officer (Business Development – Asia Pacific);
- (d) Mr. Steven Cham, Executive Officer (General and Administration); and
- (e) Mr. Tony Legi, Executive Officer (Business Development – Indonesia).

There are no directors proposed to be appointed to the Company in connection with the Proposed Disposal. Accordingly, there are no service contracts proposed to be entered into between the Company and such persons.

14. THE EGM

The EGM, notice of which is set out on pages 32 to 33 of this Circular, will be held on 12 November 2019 at 10.00 a.m. at 1 Raffles Boulevard, Level 3, Meeting Room 330, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593,, for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the notice of EGM.

15. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the proxy form attached to the notice of EGM 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 less than 72 hours before the time fixed for the EGM.

The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder 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 proxy form to the EGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the EGM.

LETTER TO SHAREHOLDERS

16. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company at 14 Tuas Drive 2 Singapore 638647 during normal business hours for a period of three (3) months commencing from the date of the Announcement:

- a. the Share Purchase Agreement;
- b. the Annual Report of the Company for FY2018; and
- c. the Irrevocable Undertaking.

Yours faithfully

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

Tan Thuan Hor, Jacky
Executive Director and CEO
25 October 2019

SCHEDULE 1 – DETAILS OF UOC

Company number	:	199901228N
Date of incorporation	:	13 March 1999
Registered office	:	14 Tuas Drive 2, Singapore 638647
Share capital	:	S\$14,019,700 divided into 37,399,000 ordinary shares
Members	:	United Global Limited (37,399,000 ordinary shares)
Directors	:	Tan Thuan Hor, Jacky Ety Wiranto Wiranto
Secretary	:	Siau Kuei Lian Tan Thuan Seng, Shawn Ety Wiranto
Accounting reference date	:	31 December

SCHEDULE 2 – DETAILS OF PLI

Date of incorporation	:	12 April 2000
Registered office	:	Jl. Kali Asin Kp. Lumalang, Kel. Bojonegara, Kec. Bojonegara, Kab. Serang, Prov. Banten
Share capital	:	IDR 180,000,000,000 divided into 180,000 shares
Members	:	Edy Wiranto (8,990 shares) United Oil Company Pte. Ltd. (171,000 shares) Hartanto Budidharma (10 shares)
Directors	:	Herry Defjan Tan Thuan Hor, Jacky
Accounting reference date	:	31 December

SCHEDULE 3 – ADDITIONAL DISCLOSURES TO BE INCLUDED IN THE QUARTERLY RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

Guidance disclosure items from SFRS(I), to be disclosed in the notes to the audited financial statements

<u>Balance Sheet</u>	<u>Financial Year [●] US\$'000</u>
Current Assets	X
Cash and cash equivalent	X
Trade receivables	X
Inventories	X
Non-current assets	X
Current liabilities	X
Bank borrowings	X
Trade payables	X
Current financial liabilities	X
Non-current liabilities⁽²⁾	X
Non-current financial liabilities	X
Total Equity	X

<u>Income Statement (P&L)</u>	
Revenue	X
Profit from the year	X
Other comprehensive income	X
Total comprehensive income	X
Dividend received from joint venture during the year	X

The above profit and loss for the year include the following:

Depreciation and amortisation	X
Interest income	X
Interest expenses	X
Income tax expenses (income)	X

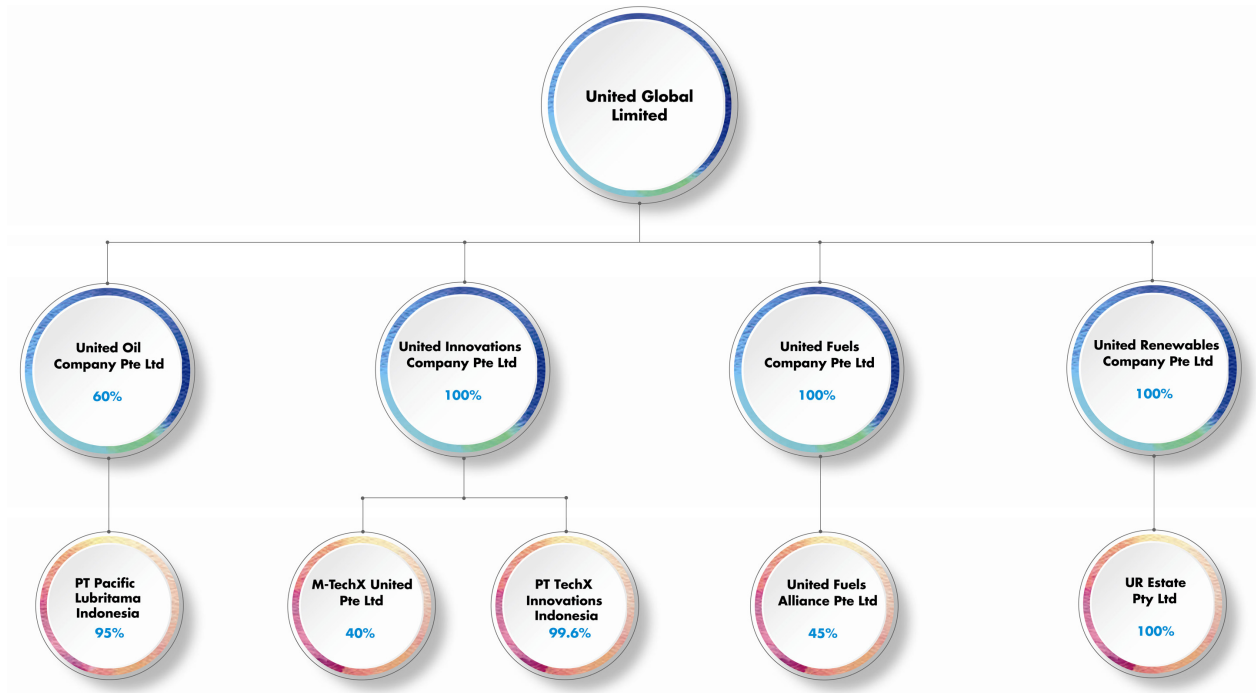
Additional Disclosure items which the Company intends to include in the quarterly result announcements, or the results summary for investors briefing

Gross profit	X
Gross profit margin %	X
Distribution cost	X
Administrative expenses	X

Notes:

- (1) Other than the financial information required in accordance with the SFRS(I), additional disclosure items (highlighted in grey), which, in the view of the Board, are currently significant items, will be included in the annual report and the results announcements. The Board will review the list of significant items regularly and in any event, at least once a year, to ensure that the additional disclosure items continue to be relevant and adequate.
- (2) No additional items under the non-current liabilities section, other than non-current financial liabilities (if any), will be disclosed as these items (comprising mainly deferred tax liabilities) are currently not significant.

SCHEDULE 4 – POST-DISPOSAL GROUP STRUCTURE



NOTICE OF EXTRAORDINARY GENERAL MEETING

UNITED GLOBAL LIMITED

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

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as used in the circular dated 25 October 2019 issued by United Global Limited (“Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of United Global Limited (“Company”) will be held at 10.00 a.m. on 12 November 2019 at 1 Raffles Boulevard, Level 3, Meeting Room 330, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593 for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolution:

ORDINARY RESOLUTION 1

THE PROPOSED DISPOSAL OF 40% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF UNITED OIL COMPANY PTE LTD

That:

- (a) approval be and is hereby given for the proposed disposal of 14,959,600 ordinary shares in United Oil Company Pte Ltd (“**UOC**”) by the Company, comprising 40% of the issued and paid-up share capital of UOC, on the terms and subject to the conditions of the Share Purchase Agreement dated 30 September 2019 entered into between the Company and Repsol Downstream Internacional S.A.; and
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they or he may deem desirable, necessary or expedient to give effect to the matters referred to in paragraph (a) including, without limitation, to negotiate, execute and authorise the release of, in the name of and on behalf of the Company, all such agreements, deeds, undertakings, forms, circulars, announcements, instruments, notices, communications and other documents and things, and to approve any amendment, alteration or modification to any such document.

By Order of the Board

Siau Kuei Lian
Secretary

Singapore, 25 October 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

- (1) A member who is not a relevant intermediary# is entitled to appoint not more than two proxies to attend and vote on his/her behalf at the EGM. A proxy need not be a member of the Company.
- (2) A member who is a relevant intermediary# is entitled to appoint more than two proxies to attend and vote at the EGM. A proxy need not be a member of the Company.
- (3) If the appointer is a corporation, the instrument appointing the proxy or proxies must be executed either under its seals or under the hand of its officer or attorney duly authorised.
- (4) 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.
- (5) A depositor shall not be regarded as a member of the Company entitled to attend and vote at the EGM unless his/her name appears on the Depository Register not less than 72 hours before the time appointed for holding the EGM.

Relevant intermediary means:

- (a) *a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 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, Chapter 289 of Singapore and who holds shares in that capacity; or*
- (c) *the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, 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)

EXTRAORDINARY GENERAL MEETING

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 Meeting in person. CPF Investors and SRS Investors (collectively "CPF and SRS Investors") who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.
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	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting (the "**Meeting**") as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting of the Company to be held at 10.00 a.m. on 12 November 2019 at 1 Raffles Boulevard, Level 3, Meeting Room 330, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

	For*	Against*
Ordinary Resolution 1 To approve the Proposed Disposal of 40% of the total issued and paid-up share capital of United Oil Company Pte Ltd		

* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total Number of Ordinary Shares Held:

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



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 Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting 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 Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the 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 Meeting.
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 Meeting, 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 Meeting in person. CPF Investors and SRS Investors (collectively "CPF and SRS Investors") who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.

* 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 Extraordinary General Meeting dated 25 October 2019.

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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.