

CIRCULAR DATED 11 JANUARY 2022

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF UNITED GLOBAL LIMITED AND THE ADVICE OF XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by United Global Limited (the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Company has opted for electronic dissemination of this Circular. Please note that no printed copies of this Circular will be despatched to Shareholders. Only printed copies of the notice regarding the electronic dissemination of this Circular will be despatched to Shareholders.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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 (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



UNITED GLOBAL LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY UNCONDITIONAL CASH OFFER

by

DMW INVESTMENTS PTE. LTD.

(Company Registration No. 202140516R)
(Incorporated in the Republic of Singapore)

for all the issued and paid-up ordinary shares in the capital of the Company other than those Shares held, directly or indirectly, by DMW Investments Pte. Ltd. as at the date of the Offer

Independent Financial Adviser to the Independent Directors



XANDAR CAPITAL PTE. LTD.

(Company Registration No 200002789M)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS (AS DEFINED HEREIN) SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 25 JANUARY 2022. THE OFFEROR (AS DEFINED HEREIN) DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON 25 JANUARY 2022 OR TO REVISE THE OFFER PRICE (AS DEFINED HEREIN).

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

"1H2021"	:	Half year period ended 30 June 2021
"Annual Report FY2020"	:	Annual report of the Group containing the audited consolidated financial statements of the Group for FY2020
"Acceptance Forms"	:	The FAA and the FAT collectively, or either of them (as the case may be)
"Board"	:	The board of Directors as at the Latest Practicable Date
"Business Day"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist in force as at the Latest Practicable Date
"Circular"	:	This circular to Shareholders dated 11 January 2022 in relation to the Offer enclosing, inter alia, the IFA Letter
"Closing Date"	:	5.30 p.m. on 25 January 2022
"Code"	:	The Singapore Code on Take-overs and Mergers
"Companies Act"	:	The Companies Act 1967, as amended or modified from time to time
"Company Securities"	:	(a) Shares; (b) securities which carry voting rights in the Company; or (c) Convertible Securities, Warrants, Options (including any options granted under any employee share scheme of the Company) or Derivatives in respect of (a) or (b)
"Completion"	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular
"Convertible Securities"	:	Securities convertible or exchangeable into new shares or existing shares
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"CPF Agent Banks"	:	Agent banks included under the CPFIS
"CPFIS"	:	CPF Investment Scheme
"CPFIS Investors"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"Derivatives"	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
"Despatch Date"	:	28 December 2021, being the date of despatch of the Notification, the Acceptance Forms, and electronic

	dissemination of the Offer Document and any related documents
"Directors"	: The directors of the Company (including the Independent Directors) as at the Latest Practicable Date, and " Director " means any one of them
"FAA"	: Form of Acceptance and Authorisation for Shares in respect of the Offer, applicable to Depositors whose Shares are deposited with CDP and which forms part of the Offer Document
"FAT"	: Form of Acceptance and Transfer for Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
"FY2018"	: Financial year ended 31 December 2018
"FY2019"	: Financial year ended 31 December 2019
"FY2020"	: Financial year ended 31 December 2020
"Group"	: The Company and its subsidiaries
"IFA Letter"	: The letter dated 11 January 2022 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix 1 to this Circular
"Independent Directors"	: The Directors who are considered independent for the purposes of the Offer, being Mr. Mah Kah On, Gerald, Mr. Tan Teng Muan and Mr. Lim Kian Thong
"Interested Person"	: As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: <ul style="list-style-type: none"> (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer, or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder

(being a company); or

- (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more

"Interested Person Transactions"	:	Shall have the meaning ascribed to it in paragraph 14 of Appendix 2 to this Circular
"Irrevocable Undertakings"	:	Shall have the meaning ascribed to it in the Offer Document
"Latest Practicable Date"	:	4 January 2022, being the latest practicable date prior to the dissemination of this Circular
"Notification"	:	Notification of electronic dissemination of the Offer Document and its related documents dated 28 December 2021
"Offer"	:	The mandatory unconditional cash offer made by the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended or revised from time to time by or on behalf of the Offeror
"Offer Announcement"	:	The announcement in connection with the Offer released by the Offeror, on the Offer Announcement Date
"Offer Announcement Date"	:	10 December 2021, being the date of the Offer Announcement
"Offer Document"	:	The offer document dated 28 December 2021, including the FAA and FAT, and any other document which may be issued by the Offeror, to amend, revise, supplement or update the document(s) from time to time
"Offer Price"	:	S\$0.45 in cash for each Share
"Offer Shares"	:	All the issued and paid-up ordinary shares in the capital of the Company including those Shares already owned or controlled, directly or indirectly, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror, as at the date of the Offer
"Offeror Group"	:	The Offeror and its subsidiaries
"Offeror Securities"	:	(a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b)
"Offeror Shareholders"	:	Wiranto, Tan Thuan Hor, Jacky, Edy Wiranto and Ety Wiranto
"Options"	:	Options to subscribe for or purchase new Shares or existing Shares
"Overseas Shareholders"	:	Shall have the meaning ascribed to it in Section 14 of this Circular

"Register"	:	The register of holders of the Shares, as maintained by the Registrar
"S\$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"Securities Account"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	The Securities and Futures Act (Chapter 289 of Singapore Statutes), as amended or modified from time to time
"Shareholders"	:	Holders of Shares (other than CDP), including persons whose Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST
"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company
"SRS"	:	Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under the SRS
"SRS Investors"	:	Investors who have purchased Shares pursuant to the SRS
"Substantial Shareholder"	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
"Warrants"	:	Rights to subscribe for or purchase new Shares or existing Shares
"%" or "per cent."	:	Per centum or percentage

COMPANIES/ORGANISATIONS/INDIVIDUALS

"Auditor"	:	Deloitte & Touche LLP, being the auditor of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	United Global Limited
"CPF"	:	The Central Provident Fund
"EDW"	:	Mr. Edy Wiranto
"ETW"	:	Ms. Ety Wiranto
"Group"	:	The Company and its subsidiaries
"Offeror"	:	DMW Investments Pte. Ltd.
"Registrar"	:	B.A.C.S. Private Limited, in its capacity as the share registrar of the Company
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SIC"	:	Securities Industry Council of Singapore
"Sponsor"	:	SAC Capital Private Limited

“TTH” : Mr. Tan Thuan Hor, Jacky

“WRT” : Mr. Wiranto

Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them in Section 81 SF of the SFA.

The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

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

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

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or the Code or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or the Code or any statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is reference to Singapore time and date respectively, unless otherwise stated.

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

Any reference in this Circular to the total number of issued Shares is a reference to 316,211,360 Shares as at the Latest Practicable Date, unless otherwise stated. The Company does not hold any treasury shares.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the same meanings as ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "potential", "strategy", "forecast", "possible", "probable" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" or "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor Xandar Capital Pte Ltd guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of dissemination of the Offer Document	:	28 December 2021
Date of dissemination of this Circular	:	11 January 2022
Closing Date	:	5.30 p.m. on 25 January 2022
Settlement of consideration for valid acceptances of the Offer	:	In respect of acceptances of the Offer which are complete and valid in all respects and in accordance with the instructions stated in, <i>inter alia</i> , the Offer Document, within seven (7) Business Days of the date of such receipt.

Please refer to paragraph 2 of Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

UNITED GLOBAL LIMITED

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

Board of Directors:

Mr. Edy Wiranto
(*Non-Independent and Non-Executive Chairman*)
Mr. Tan Thuan Hor, Jacky
(*Executive Director and Chief Executive Officer*)
Ms. Ety Wiranto
(*Executive Director*)
Mr. Mah Kah On, Gerald
(*Lead Independent Director*)
Mr. Tan Teng Muan
(*Independent Director*)
Mr. Lim Kian Thong
(*Independent Director*)

Registered Office:

14 Tuas Drive 2
Singapore 638647

11 January 2022

To: The Shareholders of United Global Limited

Dear Sir/Madam

VOLUNTARY UNCONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

1.1 OFFER ANNOUNCEMENT

On 10 December 2022, the Offeror announced that it intends to make a voluntary unconditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of the Company, including those Shares already owned or controlled, directly or indirectly, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror, as at the date of the Offer.

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

1.2 OFFER DOCUMENT

Shareholders should have by now received a copy of the Offer Document, as announced by the Offeror, which was disseminated by the Offeror on 28 December 2021, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2, and Appendix 1 of the Offer Document. Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.

Together with the electronic dissemination of the Offer Document, the Notification and Acceptance Forms were also despatched to Shareholders on the same date.

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

1.3 INDEPENDENT FINANCIAL ADVISOR

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

1.4 PURPOSE OF CIRCULAR

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer, and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix 1 to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 OFFER TERMS

The Offer is made by the Offeror on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

2. THE OFFER

2.1. Offer Terms. *In accordance with Rule 15 of the Code, and subject to the terms and conditions set out in this Offer Document and the Acceptance Forms, the Offeror hereby offers to acquire all the Offer Shares on the following basis:*

For each Offer Share: S\$0.45 in cash (the "Offer Price").

The Offer is extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the Concert Parties.

2.2. No Encumbrances:

The Offer Shares are to be acquired:

- (a) fully paid;*
- (b) free from any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**") ; and*
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon (the "**Distributions**") by the Company on or after the Offer Announcement Date).*

In the event that any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to the amount of such Distribution paid or made by the Company to such Shareholders who accept or have accepted the Offer.

2.3. Unconditional Offer

*The Offer is unconditional in all respects. **Therefore, the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.***

2.4. Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from any Encumbrance, and (c) with all such rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be declared, paid or made by the Company on or after the Offer Announcement Date.

2.2 Duration of the Offer

The duration of the Offer is set out in Section 2.5 and Paragraph 1 of Appendix 1 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

2.5. Duration of the Offer

Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the Despatch Date.

Accordingly, the Offer will close at 5.30 p.m. on 25 January 2022, or such later date(s) as may be announced from time to time by or on behalf of the Offeror

APPENDIX 1 – DETAILS OF THE OFFER

1 DURATION OF THE OFFER

1.1 Closing Date. *The Offer will close at 5.30 p.m. on 25 January 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.*

1.2 Revision. *Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including who had previously accepted the Offer.*

2.3 DETAILS OF THE OFFER

The details of the Offer relating to (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (c) the right of the withdrawal of acceptances of the Offer, are set out in Paragraphs 2 to 4 of Appendix 1 of the Offer Document, extracts of which are set out below.

APPENDIX 1 – DETAILS OF THE OFFER

2 SETTLEMENT

2.1 Settlement. *Subject to the receipt by the Offeror of valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and the Acceptance Forms, and in the case of Depositors, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer stand to the credit of the “Free Balance” of the Depositors’ Securities Accounts at the relevant times, then pursuant to Rule 30 of the Code, save for the Offeror’s Shareholders who have waived their rights to receive all consideration payable to them for Shares tendered in acceptance of the Offer, payments for the appropriate amounts will be credited directly into the designated bank accounts of the accepting Shareholders for Singapore Dollars via CDP’s Direct Crediting Service (or by such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distribution), (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents (if any)) as soon as practicable, and in any case within seven (7) Business Days after receipt of such acceptances.*

3 ANNOUNCEMENTS

3.1 Timing and Contents. Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day immediately after the day on which the Offer is due to expire, or is revised or extended (if applicable) (the “**Relevant Day**”), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Offer Shares (as nearly as practicable):

- (a) in respect of which valid acceptances of the Offer have been received;
- (b) held by the Offeror and its Concert Parties before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and its Concert Parties during the Offer Period,

and will specify the percentages of the total number of Shares in issue represented by such numbers.

3.2 Suspension. *Under Rule 28.2 of the Code, if the Offeror is unable within the time limit to comply with paragraph 3.1 of this Appendix 1, the SIC will consider requesting the SGX-ST to suspend dealings in Shares until the relevant information is given.*

3.3 Announcements. *In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by advertising agents (if any), for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.*

3.4 Valid Acceptances of Offer Shares. *Under Rule 28.1 of the Code, subject to Section 12.4 of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.*

4 RIGHT OF WITHDRAWAL

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

2.4 PROCEDURES FOR ACCEPTANCE

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1 DEPOSITORS

1.1 Depositors whose Securities Accounts are credited with Offer Shares. *If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589.*

1.2 Acceptance. *If you wish to accept the Offer, you should:*

(a) *complete and sign the FAA in accordance with the provisions in this Offer Document and the instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAA, the number of Offer Shares in respect of which you wish to accept the Offer.*

(i) *If you:*

(A) *do not specify such number; or*

(B) *specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the date of receipt of the FAA by CDP (the “Date of Receipt”) or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore*

time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date);

(ii) if paragraph 1.2(a)(i)(B) above applies and at the time of verification by CDP of the FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the "Free Balance" of your Securities Account ("**Unsettled Buy Position**"), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the "Free Balance" of your Securities Account at any time during the period the Offer is open, up to 5.30 p.m. (Singapore time) on the Closing Date ("**Settled Shares**"), you shall be deemed to have accepted the Offer in respect of the balance number of Offer Shares inserted in Part A of the FAA or the relevant section of the electronic form of the FAA which have not yet been accepted pursuant to paragraph 1.2(a)(i)(B) above, or the number of Settled Shares, whichever is less;

(b) if you are submitting the FAA in physical form, sign the FAA in accordance with this **Appendix 2** and the instructions printed on the FAA; and

(c) submit the completed FAA:

(i) **by post**, in the enclosed pre-addressed envelope at your own risk, to DMW Investments Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934; or

(ii) **in electronic form**, via SGX's Investor Portal at investors.sgx.com,

in either case so as to arrive NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE. If the completed and signed FAA is delivered by post to the Offeror, please use the pre-addressed envelope enclosed with the FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold CDP harmless against any losses directly or indirectly caused by such failure or interruption of electronic systems.

Proof of posting is not proof of receipt by the Offeror at the above addresses.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted **NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.** Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms

and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

1.3 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST, and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) together with a FAA.

1.4 If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, by submitting a request to CDP via phone (+65 6535 7511) or email services (asksgx@sgx.com) or by post to The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. Electronic copies of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com

Acceptance. If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares:

(a) complete and sign the FAA in accordance with paragraph 1.2 of this Appendix 2 and the instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer); and

(b) submit the completed FAA:

(i) **by post**, in the enclosed pre-addressed envelope at your own risk, to DMW Investments Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934; or

(ii) **in electronic form**, via SGX's Investor Portal at investors.sgx.com,

in either case so as to arrive NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold CDP harmless against any losses directly or indirectly caused by such failure or interruption of electronic systems.

Proof of posting is not proof of receipt by the Offeror at the above addresses.

1.5 **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares. The provisions set out above in relation to acceptance shall apply in the same way to your acceptance(s).

1.6 Rejection. *If upon receipt by CDP, for and on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected and none of CDP and the Offeror accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.*

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time)(if the Date of Receipt is prior to the Closing Date) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), unless paragraph 1.2(a)(i)(B) read together with paragraph 1.2(a)(ii) of this Appendix 2 apply. If the Unsettled Buy Position does not settle by 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares will be rejected.

None of CDP and the Offeror accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

1.7 FAA received on Saturday, Sunday and Public Holidays. *For the avoidance of doubt, FAA received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.*

1.8 General. *No acknowledgement will be given by CDP for submissions of FAA. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number through CDP Online if you have registered for the CDP Internet Access Service, or through the CDP Phone Service using SMS OTP, under the option “To check your securities balance”.*

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

1.9 Communications. *All communications, notices, certificates, documents, payments and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register, as the case may be) will be sent by ordinary post at your own risk to your respective addresses as they appear in the records of CDP or the Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAA and/or the FAT, as the case may be, at your own risk).*

1.10 Blocked Balance. *Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to the “Blocked Balance” of your Securities Account. Such Offer Shares will be held in the “Blocked Balance” until the consideration for such Offer Shares has been despatched to you.*

1.11 Offer Notification. *If you have accepted the Offer in accordance with the provisions and instructions contained herein and in the FAA, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price which will be credited directly into your designated bank account for Singapore Dollars via CDP’s Direct Crediting Service, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk, as soon as practicable*

and in any event in respect of acceptances of the Offer which are complete and valid in all respects, within seven (7) Business Days of the date of such receipt.

- 1.12 No Securities Account.** *If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.*

2 SCRIP HOLDERS

- 2.1 Shareholders whose Offer Shares are not deposited with CDP.** *If you hold Offer Shares which are not deposited with CDP (“in scrip form”), you should receive the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) together with a FAT. If you do not receive the FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Share Registrar at its office located at **8 Robinson Road, #03-00 ASO Building, Singapore 048544** or request for a copy of the FAT by contacting them at 6593 4848. An electronic copy of the Notification may also be obtained on the website of the SGX-ST at <https://www.sgx.com>.*

- 2.2 Acceptance.** *If you wish to accept the Offer, you should:*

- (a) *complete and sign the FAT in accordance with this Offer Document and the instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAT the number of Offer Shares in respect of which you wish to accept the Offer and state in Part B of the FAT the share certificate number(s) of the relevant share certificate(s). If you:*

- (i) *do not specify a number in Part A of the FAT; or*
- (ii) *specify a number in Part A of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s),*

you shall be deemed to have accepted the Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT; and

- (b) *deliver:*

- (i) *the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);*
- (ii) *the relevant share certificate(s), other document(s) of title and/or relevant document(s) required by the Offeror and/or the Share Registrar relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Constitution and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and in the FAT;*
- (iii) *where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the*

particulars of transferee left blank (to be completed by the Offeror or a person authorised by it); and

(iv) any other relevant document(s),

by post, using the enclosed pre-addressed envelope at your own risk, to DMW Investments Pte. Ltd. c/o B.A.C.S. Private Limited, so as to arrive **NOT LATER THAN 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.** Proof of posting is not proof of receipt by the Offeror at the above address. The enclosed pre-addressed envelope is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

Settlement of the consideration under the Offer will be subject to, amongst other things, the receipt of all relevant documents, properly completed.

2.3 General. If your Offer Shares are represented by share certificate(s) which are not registered with the Company in your own name, you must send in, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Share Registrar together with a duly completed and signed original FAT in its entirety (no part may be detached or otherwise mutilated), accompanied by transfer form(s), duly completed and executed by the person(s) registered with the Company as the holder of the Offer Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or the transferee or a person authorised by either).

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

2.4 Communications. No acknowledgement of receipt of any FAT, share certificate(s) or any other document(s) will be given by the Offeror or the Share Registrar. All communications, notices, certificates, documents and remittances to be delivered or sent to you will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register) by ordinary post to your address as it appears in the Register at your own risk (or, for the purpose of remittances only, to such different name and address as may appear in the FAT and at your own risk).

2.5 Offer Notification. If you have accepted the Offer in accordance with the provisions and instructions contained herein and in the FAT, payment will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first-named in the Register) by ordinary post at your address as it appears in the Register at your own risk (or to such different name and address as may be specified by you in the FAT and at your own risk), by way of a S\$ crossed cheque drawn on a bank in Singapore for the appropriate amount at your own risk, as soon as practicable and in any event in respect of acceptances of the Offer which are complete and valid in all respects, within seven (7) Business Days of the date of such receipt.

3 GENERAL

3.1 Disclaimer. The Offeror, CDP or the Share Registrar (as the case may be) will be authorised and entitled, in their sole and absolute discretion, to reject or treat as valid any acceptances of the Offer which are not entirely in order or which do not comply with the terms of this Offer Document and the relevant Acceptance Forms or which are otherwise incomplete, incorrect, unsigned or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the

FAA and/or FAT, as the case may be, is properly completed in all respects, signed and all required documents are provided. Any decision to reject or treat as valid any acceptance of the Offer through the FAA and/or FAT, as the case may be, will be final and binding and none of the Offeror, CDP and the Share Registrar accepts any responsibility or liability in relation to such a decision, including the consequences thereof.

- 3.2 Discretion.** The Offeror, CDP and the Share Registrar reserve the right to treat acceptances of the Offer as valid if received by or on behalf of it at any place or places determined by them otherwise than as stated in this Offer Document or in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and the instructions contained in the FAA and/or the FAT, as the case may be. Any decision to reject or treat as valid any acceptance of the Offer through the FAA and/or FAT, as the case may be, will be final and binding and none of the Offeror, CDP and the Share Registrar accepts any responsibility or liability in relation to such a decision, including the consequences thereof.

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

- 3.3 Scrip and Scripless Offer Shares.** If you hold some Offer Shares in scrip form and others with CDP, you should complete the FAT for the former and the FAA for the latter in accordance with the respective procedures set out in this Appendix 2 if you wish to accept the Offer in respect of all such Offer Shares.

Both the FAA and the FAT must be completed and accompanied by the relevant documents and sent to the Offeror in accordance with the respective procedures for acceptance set out in paragraphs 1 and 2 above and the relevant Acceptance Forms.

- 3.4 Acceptances received on Saturday, Sunday or Public Holidays.** Acceptances in the form of the FAA and/or the FAT received by the Offeror, CDP and/or the Share Registrar, on a Saturday, Sunday or public holidays will only be processed and validated on the next Business Day.

- 3.5 Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Offer Shares, you should complete the FAT and follow the procedures set out in paragraph 2 of this Appendix 2.

- 3.6 Correspondences.** All communications, notices, documents and remittances to be delivered or sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Share Registrar, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAT, as the case may be, at your own risk).

- 3.7 Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT to CDP and/or the Share Registrar and/or the Offeror, as the case may be, shall be conclusive evidence in favour of CDP, the Share Registrar and the Offeror of the right and title of the person signing it to deal with the same and with the Offer Shares to which it relates. The Offeror, CDP and/or the Share Registrar shall be entitled to assume the accuracy of any information and/or documents submitted

together with any FAA and/or FAT, as the case may be, and shall not be required to verify or question the validity of the same.

3.8 Loss in Transmission. *The Offeror, the CDP and the Share Registrar shall not be liable for any loss in transmission of the FAA, FAT and/or any documents.*

3.9 Personal Data Privacy. *You agree that none of the Offeror, CDP and/or the Share Registrar shall be liable for any action or omission in respect of the FAA, FAT and/or any information and/or documents submitted therewith. By completing and delivering the FAA and/or FAT, each person:*

- (a) consents to the collection, use and disclosure of his personal data by CDP, the Share Registrar, the Offeror and the Company (the “**Authorised Persons**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Authorised Persons to comply with any applicable laws, regulations and/or guidelines;*
- (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, regulations and/or guidelines; and*
- (c) agrees that he will indemnify the Authorised Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.*

2.5 CLOSING DATE

The Offer Document states that the Offer will remain open for acceptance by the Shareholders for at least 28 days after the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the SIC in which event every person shall be released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 25 January 2022, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred under. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

3. INFORMATION ON THE OFFEROR

3.1 THE OFFEROR

Section 3 of the Offer Document sets out certain information on the Offeror, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

3. INFORMATION ON THE OFFEROR

*The Offeror is an investment holding company incorporated in the Republic of Singapore on 22 November 2021. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S\$2,000 comprising 2,000 ordinary shares at an issue price of S\$1 each (“**Offeror Shares**”). Details of the shareholding of the Offeror are as set out below:*

Name of Offeror Shareholder	Number of shares	Proportion of the total number of issued Offeror Shares
WRT	1,100	55%
TTH	700	35%
EDW	100	5%
ETW	100	5%

WRT, TTH, EDW and ETW shall collectively be referred to as the “Offeror’s Shareholders” and each, an “Offeror’s Shareholder”.

As at the Last Practicable Date the directors of the Offeror are TTH, EDW and ETW.

As at the Latest Practicable Date:

(a) the Offeror does not hold, directly or indirectly, any Shares in the Company;

(b) WRT, a shareholder of the Offeror, holds directly 126,007,410 Shares in the Company, representing approximately 39.85% of the total number of issued Shares of the Company;

(c) TTH, a shareholder of the Offeror, holds directly 104,166,250 Shares in the Company, representing approximately 32.94% of the total number of issued Shares of the Company;

(d) ETW, a shareholder of the Offeror, holds directly 12,714,200 Shares in the Company, representing approximately 4.02% of the total number of issued Shares of the Company;

(e) EDW, a shareholder of the Offeror, holds directly 19,352,700 Shares in the Company, representing approximately 6.12% of the total number of issued Shares of the Company; and

(f) the Offeror’s Shareholders collectively hold 262,240,560 Shares in the Company, representing approximately 82.93% of the total number of issued Shares of the Company.

3.2 FURTHER INFORMATION

Additional information on the Offeror extracted from Appendix 3 to the Offer Document is set out in **Appendix 3** to this Circular.

4. IRREVOCABLE UNDERTAKINGS

4.1 IRREVOCABLE UNDERTAKINGS TO ACCEPT THE OFFER

Section 5 of the Offer Document sets out certain information relating to the Irrevocable Undertakings received by the Offeror, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

5 IRREVOCABLE UNDERTAKING AND WAIVER OF CONSIDERATION

5.1 Irrevocable Undertaking

The Offeror has received irrevocable undertakings (the “Irrevocable Undertakings”) from certain Shareholders, namely, the Offeror’s Shareholders, Ms. Cindy Lie, Mr. Herry Defjan, Ms. Emi Wiranto, Mr. Tan Thuan Seng, Ms. Ng Hoi

Ming, Ms. Chia Ling Budidharma and Ms. Lim Chun Lan (each, an “**Undertaking Shareholder**” and collectively, the “**Undertaking Shareholders**”), in favour of the Offeror, pursuant to which the Undertaking Shareholders have undertaken, inter alia, as follows:

- (a) to accept or procure the acceptance of the Offer in respect of all of the Shares held by them, representing in aggregate no less than 90.03% of the total number of issued Shares in the Company (the “**Undertaking Shares**”); and
- (b) except pursuant to the Offer, not to dispose of, charge, pledge or otherwise encumber or grant any option or other right over or accept any other offer for any of the Undertaking Shares or otherwise deal with any of the Undertaking Shares or any interest in them (whether conditionally or unconditionally).

Pursuant to the Irrevocable Undertakings provided by the Offeror’s Shareholders (collectively, the “**Offeror Shareholders’ Irrevocable Undertakings**”), each of the Offeror’s Shareholders further undertakes to waive his/her rights under Rule 30 of the Code to receive all consideration payable to him/her for Shares tendered in acceptance of the Offer.

The names of the Undertaking Shareholders and the number of Shares owned by them as at the Latest Practicable Date are as follows:

No.	Name of Undertaking Shareholder	No. of Shares which are the subject of the Irrevocable Undertakings	Percentage of Shares in Issue (%)
1.	WRT	126,007,410	39.85
2.	TTH	104,166,250	32.94
3.	ETW	12,714,200	4.02
4.	EDW	19,352,700	6.12
5.	Cindy Lie	3,170,600	1.00
6.	Herry Defjan	3,155,000	1.00
7.	Emi Wiranto	12,305,000	3.89
8.	Tan Thuan Seng	125,000	0.04
9.	Ng Hoi Ming	1,930,700	0.61
10.	Chia Ling Budidharma	1,026,500	0.32
11.	Lim Chun Lan	730,800	0.23
	Total	284,684,160	90.03

5. **RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY**

The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from Sections 6 and 7 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company.**

6 RATIONALE FOR THE OFFER

6.1 Low Trading Liquidity of Shares

On 16 September 2021, EDW acquired 663,700 Shares by way of an off-market transaction at S\$0.41 per Share.

The trading volume of the Shares has been low, with an average daily trading volume of approximately 123,029 Shares, 62,380 Shares, 42,408 Shares and 29,718 Shares during the respective one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including 9 December 2021 (the "Last Market Day"), being the last full Market Day immediately before the Offer Announcement Date. Each of these represents less than 0.05% of the total number of Shares for any of the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which may otherwise not be available given the low trading liquidity of the Shares.

6.2 Offer Price at a Premium to the Last Transacted Share Price

The Offer Price represents a premium of 12.5% over the last transacted price per Share of S\$0.400 on 8 December 2021, being the last full Market Day on which the Shares were transacted prior to the Offer Announcement Date.

When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price also represents a premium of approximately 16.67%, 16.73%, 16.16% and 14.10% over the volume weighted average price ("VWAP") per Share for the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month periods, respectively.

The Offer presents Shareholder with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Shares.

6.3 Greater Management Flexibility

As described in paragraph 9 below, the Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

6.4 Compliance Costs of Maintaining Listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

7 OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Subject to normal business conditions and other than in the normal course of business, the Offeror does not intend to (a) make major changes to the business of the Company or its management team, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the employees of the Company and of its subsidiaries. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Company.

6. LISTING STATUS AND COMPULSORY ACQUISITION

Section 9 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, extracts of which are set out below.

Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

9 LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the ready and unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public.

Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

The Offeror does not intend to preserve the listing status of the Company. In the event that inter alia, less than 10% of the total number of Shares (excluding any Shares held in treasury) are held in public hands and the

trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1104 or Rule 1303(1) of the Catalist Rules, the Company does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted.

9.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer or otherwise acquires not less than 90% of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer (the “Dissenting Shareholders”) at a price equal to the Offer Price.

As described in Section 5.1 above, the Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders to accept the Offer in respect of the Undertaking Shares, which represent in aggregate not less than 90% of the total number of issued Shares as at the Offer Announcement Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury).

In such an event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held in treasury). Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

On 4 January 2022, the Offeror announced that it has received, pursuant to the Offer, valid acceptances representing approximately 92.72% of the total number of Shares as at 6.00 p.m. (Singapore time) on 3 January 2022. The number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise, including valid acceptances of the Offer) as at 6.00 p.m. (Singapore time) on 3 January 2022 is 296,296,610 Shares, representing 93.70% of the total number of Shares. Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public (the “Free Float Requirement”).

In accordance with Rule 724(1) of the Catalist Rules, on the same date, the Company announced, amongst others, that the percentage of Shares held by the public as at 6.00 p.m. (Singapore time) on 3 January 2022 is therefore less than the requisite 10% under the Free Float Requirement.

On 4 January 2022, the Offeror also announced that it intends to take steps to delist the Company from the SGX-ST following the close of the Offer, and further that it is entitled to, and will in due course, exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (“Dissenting Shareholders”) at the

consideration for the Offer (being the Offer Price of S\$0.45 in cash for each Offer Share) and on the same terms as those offered under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

7. **FINANCIAL EVALUATION OF THE OFFER**

Section 8 of the Offer Document sets out certain information on the financial evaluation of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

8 FINANCIAL EVALUATION OF THE OFFER		
<i>The Offer Price represents the following premia over the historical traded prices of the Shares:</i>		
Description	Benchmark Price (S\$)⁽¹⁾	Premium over Benchmark Price (%)⁽²⁾
(a) <i>Last transacted price per Share on 8 December 2021 (being the Last Trading Day)</i>	0.4000	12.50
(b) <i>VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Market Day</i>	0.3857	16.67
(c) <i>VWAP for the three (3)-month period prior to and including the Last Market Day</i>	0.3855	16.73
(d) <i>VWAP for the six (6)-month period prior to and including the Last Market Day</i>	0.3874	16.16
(e) <i>VWAP for the twelve (12)-month period prior to and including the Last Market Day</i>	3944	14.10
Notes:		
(1) <i>The VWAP are based on data extracted from Bloomberg L.P. and the calculation of the VWAP does not include married trade transactions within the relevant periods. The VWAPs are rounded to the nearest four (4) decimal places.</i>		
(2) <i>Percentages rounded to the nearest two (2) decimal places.</i>		

8. **DISCLOSURES**

Appendix 5 of the Offer Document sets out certain information relating to the disclosure of shareholdings and dealings, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

APPENDIX 5 – ADDITIONAL GENERAL INFORMATION

1 DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES

1.1 Holdings and dealings in Shares. *As at the Latest Practicable Date, based on the latest information available to the Offeror, save for the Irrevocable Undertakings and as disclosed below, none of the Offeror, its Directors or any of the Concert Parties (a) owns, controls or has agreed to acquire any Shares; or (b) has received any irrevocable commitment (other than the Irrevocable Undertakings) from any person to accept the Offer.*

Name of Shareholder	Number of Shares	Proportion of the total number of issued Shares⁽¹⁾
WRT	126,007,410	39.85%
TTH	104,166,250	32.94%
ETW	12,714,200	4.02%
EDW	19,352,700	6.12%
Cindy Lie	3,170,600	1.00%
Herry Defjan	3,155,000	1.00%
Emi Wiranto	12,305,000	3.89%
Tan Thuan Seng	125,000	0.04%
Ng Hoi Ming	1,930,700	0.61%
Chia Ling Budidharma	1,026,500	0.32%
Lim Chun Lan	730,800	0.23%
Chew Chiang Tiak	160,000	0.05%
Chew Chin Tuan	220,000	0.07%
Chiew Kian Giap	140,000	0.04%
Lee Kong Leong	374,300	0.12%
Sek Kei Lin	66,000	0.02%
Lee Kong Chiang	241,400	0.08%
Aaron Ong Guang Xiong	774,500	0.25%
Shannon Lee Xinjing	402,100	0.13%
Tan Chai Seng	400,000	0.13%
Tan Tuan Joo	317,800	0.10%
Sek Kei Shien	160,000	0.05%
Charis Lee Xin-Ning	68,000	0.02%

Tan Soh Lay	200	0.00% ⁽²⁾
Chu Ching Know @ Chew Cheng Tong	40,000	0.01%
Total	288,048,460	91.09%

Notes:

(1) Calculated based on a total of 316,211,360 issued Shares as at the Latest Practicable Date and rounded to the nearest two (2) decimal places.

(2) Due to rounding to nearest two (2) decimal places.

- 1.2 Dealings in Shares.** Save as disclosed in this Offer Document, none of the Offeror, its Directors, or any of the Concert Parties have dealt for value in any (a) Shares; (b) securities which carry voting rights in the Company; (c) securities which are convertible into Shares; or (d) rights to subscribe for, or options in respect of such Shares or securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

The dealings of the Offeror, its Directors, or any of the Concert Parties in respect of the Shares for the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date are as follows:

No.	Name	Date	No. of Shares Acquired	No. of Shares Sold	Transaction Price per Share (S\$)
1	EDW	16 September 2021	663,700*	–	0.410
2	Loh Bee Teng	23 December 2021	–	47,600	0.445

Notes:

* Acquired by way of an off-market transaction.

9. CONFIRMATION OF FINANCIAL RESOURCES

Section 11 of the Offer Document sets out certain information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

11 CONFIRMATION OF FINANCIAL RESOURCES

Bayfront Law LLC, as the legal adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price, excluding the Offer Shares to be tendered by the Offeror's Shareholders pursuant to the Offeror Shareholders' Irrevocable Undertaking and for which payment will be waived, as described in Section 5 above."

10. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Shares and the Offeror Securities as at the Latest Practicable Date are set out in **Appendix 2** to this Circular.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 INDEPENDENCE OF DIRECTORS

Mr. Edy Wiranto, Mr. Tan Thuan Hor and Ms. Ety Wiranto, each being a director of both the Offeror and the Company and having provided an Irrevocable Undertaking in respect of his/her respective Shares) faces, or may reasonably be perceived to face, an irreconcilable conflict of interest, that would render it inappropriate for him to make a recommendation on the Offer to Shareholders.

The SIC has ruled, *inter alia*, on 7 January 2022 that each of Mr. Edy Wiranto, Mr. Tan Thuan Hor and Ms. Ety Wiranto is exempted from the requirement to make a recommendation to Shareholders in respect of the Offer. However, Mr. Edy Wiranto, Mr. Tan Thuan Hor and Ms. Ety Wiranto must still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

All the Independent Directors are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.

11.2 LEGAL ADVISORS

For the purposes of this Circular, Bird & Bird ATMD LLP has been appointed as the legal advisors to the Company as to Singapore law in relation to the Offer.

11.3 THE INDEPENDENT FINANCIAL ADVISER AND THE IFA LETTER

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

Shareholders should read and consider carefully the advice of the IFA to the Independent Directors in respect of the Offer as set out in the IFA Letter and the recommendation of the Independent Directors in their entirety before deciding whether to accept or reject the Offer. The IFA Letter is reproduced in **Appendix 1** to this Circular.

11.4 ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS ON THE OFFER

Based on the IFA's evaluation and assessment of the financial terms of the Offer, the IFA has made its recommendation in respect of the Offer as set out in Section 8 of the IFA Letter and reproduced in italics below. The opinion and advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter.

Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the IFA Letter.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to accept the Offer.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

11.5 RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having considered carefully the terms of the Offer and the opinion and advice given by the IFA to the Independent Directors in the IFA Letter, **concur** with the advice of the IFA in respect of the Offer. Accordingly, the Independent Directors recommend as follows:

- (i) **Shareholders should ACCEPT the Offer.**
- (ii) **Shareholders who wish to realise their investments in the Company can also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after taking into account the brokerage and related costs in connection with open market transactions). If the Shareholders are considering selling their Shares in the open market, they should be aware of the low liquidity of the Shares.**

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the full text of the IFA Letter set out in **Appendix 1** to this Circular and other relevant information set out in this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's advice to the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept or reject the Offer.

Shareholders should note that there is no assurance that the market prices and trading volume of the Shares will be maintained at current levels prevailing as at the Latest Practicable Date after the close of the Offer, and that trading of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA to the Independent Directors in respect of the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date.

In preparing the above advice and giving the above recommendation, the IFA and the Independent Directors have not had regard to any general or specific investment objectives, financial situations, tax positions, risk profiles or particular needs and constraints or other particular circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice with regard to his Shares, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional adviser immediately.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders who wish to accept the Offer must do so not later than **5.30 p.m. (Singapore time) 25 JANUARY 2022**. There are different procedures for acceptance for Depositors whose Securities Accounts are or will be credited with Shares and for Shareholders who hold Shares which are not deposited with CDP. Shareholders who wish to accept the Offer should take note of the "Procedures for Acceptance of the Offer" set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by the CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the FAA and/or FAT which have been sent to them.

13. **INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS**

Section 12.7 of the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

12.7 Information Pertaining to CPFIS Investors and SRS Investors. *CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date.*

CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares through appropriate intermediaries in their CPF investment accounts and SRS investment accounts.

14. **OVERSEAS SHAREHOLDERS**

Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") should refer to Section 10 of the Offer Document extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

10 OVERSEAS SHAREHOLDERS

10.1 Availability to Overseas Shareholders. *The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. It is currently not intended that the Offer will be made in or into, and the Offer is not capable of acceptance in or from, any jurisdiction in or from which the making of the Offer is prohibited or affected by the laws of that jurisdiction. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Offer Document and the Acceptance Forms have not been reviewed by any regulatory authority in any overseas jurisdiction. For the avoidance of doubt, the Offer is open to all the Shareholders, including those to whom the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) and the relevant Acceptance Forms have not been, or may not be, despatched.*

10.2 Overseas Jurisdiction. *It is the responsibility of any Overseas Shareholder who wishes to (a) request for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents, and/or (b) accept the Offer to satisfy himself as to the full observance of the laws of the relevant*

jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf may be required to pay. In (a) requesting for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents, and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP and the Share Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. Any Overseas Shareholder who is in any doubt about his/her/its position should consult his professional adviser in the relevant jurisdiction.

10.3 Copies of the Offer Document and the relevant Acceptance Forms. Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Offer Document, the Acceptance Form and/or any related documents from the website of the SGX-ST at www.sgx.com. To obtain a copy of this Offer Document, please select the section "Securities", select "Company Information" and then "Company Announcements" from the drop-down menu list and type the name of the Company: "United Global Limited" in the box titled "Filter by Company/Security Name". "United Global Limited" will appear as a drop-down item below the filter box.

Thereafter, please select the announcement dated 28 December 2021 titled "Notice of Electronic Dissemination of Offer Document and Related Documents". This Offer Document, the Acceptance Form and its related documents can be accessed by clicking on the link under the section titled "Attachments" at the bottom of the announcement.

10.4 Notice. The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all of the Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

Due to potential restrictions on sending this Circular to overseas jurisdictions, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may nonetheless (subject to compliance with applicable laws) download electronic copies of this Circular from the SGXNET announcement page of the Company at the following URL: <https://unitedgloballimited.com>.

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

15. **DIRECTORS' RESPONSIBILITY STATEMENT**

Save for: (a) Appendix 1 to this Circular; (b) information extracted from the Offer Document; and (c) information relating to the Offeror and the parties acting in concert with the Offeror, the Directors (including those who have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated in this Circular are fair and

accurate, and that no material facts have been omitted from this Circular, the omission of which would render any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, from the Offer Document) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The recommendation of the Independent Directors to Shareholders set out in Section 11.4 of this Circular is the sole responsibility of the Independent Directors.

In respect of Appendix 1 to this Circular, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

16. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully,

For and on behalf of the Board of
United Global Limited

Mah Kah On, Gerald
Lead Independent Director

APPENDIX 1

**LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE
OFFER**

11 January 2022

UNITED GLOBAL LIMITED

14 Tuas Drive 2
Singapore 638647

Attention: The Independent Directors (as defined below)

VOLUNTARY UNCONDITIONAL CASH OFFER (THE “OFFER”) FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE “SHARES”) IN THE CAPITAL OF UNITED GLOBAL LIMITED (THE “COMPANY”) OTHER THAN THOSE SHARES HELD, DIRECTLY OR INDIRECTLY, BY DMW INVESTMENTS PTE. LTD. (THE “OFFEROR”) AS AT THE DATE OF THE OFFER (THE “OFFER SHARES”)

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular to shareholders of United Global Limited dated 11 January 2022 in connection with the Offer (the “Circular”).

1. INTRODUCTION

On 10 December 2021 (the “**Offer Announcement Date**”), the Offeror announced its intention to make the Offer for the Offer Shares (the “**Offer Announcement**”) in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

In connection with the Offer, the Company has appointed Xandar Capital Pte. Ltd. (“**Xandar Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the Offer, namely Mr. Mah Kah On, Gerald, Mr. Tan Teng Muan and Mr. Lim Kian Thong (the “**Independent Directors**”) in relation to the Offer, to assess the terms of the Offer and advise whether the terms of the Offer are fair and reasonable.

This letter sets out, *inter alia*, our evaluation and advice of the terms of the Offer (this “**IFA Letter**”), and forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendation of the Independent Directors in respect thereof.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Independent Directors on whether the terms of the Offer are fair and reasonable.

Our evaluation is limited to the terms of the Offer and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Offer. We have not relied on any financial projections or forecasts in respect of the Company and any of its subsidiaries (collectively, the “**Group**”). We are not required to

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express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group. We are also not expressing any view herein as to the prices at which the Shares may trade after the close of the Offer. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer or any other offers, if any. We are not required nor authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares, and therefore are not able to, and will not compare the Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future. We have also not conducted any review of the business, operations or financial condition of the Company and the Group.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the Group's investment in joint venture, financial assets at fair value through profit or loss, other receivables and properties, plant and equipment) of the Group and the Company did not commission any independent market valuation on any of these assets for the purpose of the Offer.

In the course of our evaluation, we have held discussions with certain Directors and management of the Company and have examined publicly available information as well as information provided and representations made to us by the aforesaid parties, including information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy and reliability of such information. The Directors have jointly and severally accepted full responsibility for the fairness and accuracy of all such information and representations as provided and made by the aforesaid parties as contained herein.

As set out in Section 15 of the Circular, save for: (a) this IFA Letter which is appended as Appendix 1 to the Circular; (b) information extracted from the Offer Document; and (c) information relating to the Offeror and the parties acting in concert with the Offeror, the Directors (including those who have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated in the Circular are fair and accurate, and that no material facts have been omitted from the Circular, the omission of which would render any statement in the Circular misleading, and they jointly and severally accept responsibility accordingly. Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, from the Offeror's offer document dated 28 December 2021 (the "**Offer Document**")) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in the Circular.

In respect of this IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects. Further, the Independent Directors are solely responsible in respect of the recommendation of the Independent Directors to Shareholders set out in Section 11.4 of the Circular.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information provided to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their Shares, investment objectives or portfolios should consult his or their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This IFA Letter is for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the Offer and the recommendation made by the Independent Directors shall remain their responsibility.

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

Our advice in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Independent Directors advise the Shareholders to read these pages carefully.

3. THE OFFER

The Offer is a voluntary **unconditional** cash offer made in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”) and subject to the terms and conditions set out in the Offer Document, a copy of which is available on the website of the SGX-ST at www.sgx.com. The salient information on the Offer can be found in Section 2 and Appendix 1 to the Offer Document.

As disclosed in Section 2.3 of the Offer Document, **the Offer is unconditional in all respects and the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.**

3.1 THE OFFER PRICE

We extract from Section 2.1 of the Offer Document in italics as follows:

For each Offer Share: S\$0.45 in cash (the “Offer Price”).

As set out in Section 2.2 of the Offer Document, the Offer Shares are to be acquired (a) fully paid, (b) free from any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (“**Encumbrances**”), and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon (the “**Distributions**”) by the Company on or after the Offer Announcement Date.

3.2 DURATION OF THE OFFER

We extract from Appendix 1 to the Offer Document in italics as follows:

- 1.1 ***Closing Date. The Offer will close at 5.30 p.m. on 25 January 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.***
- 1.2 ***Revision. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including who had previously accepted the Offer.***

4. THE IRREVOCABLE UNDERTAKINGS

As disclosed in Section 5.1 of the Offer Document, certain Shareholders have provided irrevocable undertakings (the “**Irrevocable Undertakings**”) to accept or procure the acceptance of the Offer in respect of all the Shares held by them. We tabulate the Irrevocable Undertakings as follows:

Name of Shareholders	Number of Shares	Percentage interest in the capital of the Company
Mr. Wiranto (“ WRT ”)	126,007,410	39.85
Mr. Tan Thuan Hor (“ TTH ”)	104,166,250	32.94
Mr. Edy Wiranto (“ EDW ”)	19,352,700	6.12
Ms. Ety Wiranto (“ ETW ”)	12,714,200	4.02
Ms. Cindy Lie	3,170,600	1.00
Mr. Herry Defjan	3,155,000	1.00
Ms. Emi Wiranto	12,305,000	3.89
Mr. Tan Thuan Seng	125,000	0.04
Ms. Ng Hoi Ming	1,930,700	0.61
Ms. Chia Ling Budidharma	1,026,500	0.32
Ms. Lim Chun Lan	730,800	0.23
TOTAL	284,684,160	90.03

Save for the Irrevocable Undertakings, as at the Offer Announcement Date, the Offeror has not received any irrevocable undertaking from any other party to accept or reject the Offer.

TTH, EDW and ETW are also Directors of the Company.

5. INFORMATION ON THE OFFEROR

Information on the Offeror is set out in Section 3 and Appendix 2 to the Offer Document. We extract information on the Offeror in *italics* as follows:

The Offeror is an investment holding company incorporated in Singapore on 22 November 2021. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S\$2,000 comprising 2,000 ordinary shares at an issue price of S\$1 each (“Offeror Shares”). Details of the shareholding of the Offeror are as set out below:

Name of Shareholders of the Offeror	Shareholding Percentage
<i>WRT</i>	<i>55%</i>
<i>TTH</i>	<i>35%</i>
<i>EDW</i>	<i>5%</i>
<i>ETW</i>	<i>5%</i>

The board of directors of the Offeror comprises TTH, EDW and ETW.

The Offeror is a special purpose vehicle set up for the purpose of the Offer and exercise of compulsory acquisition such that the Offeror is able to acquire all the outstanding paid-up capital of the Company. The Offeror has not carried on any business since its incorporation, except for matters in connection with the marking of the Offer.

WRT, TTH, EDW and ETW shall collectively be referred to herein as the “**Offeror’s Shareholders**”.

As at 23 December 2021, being the latest practicable date of the Offer Document:

- (a) the Offeror does not hold, directly or indirectly, any Shares in the Company;
- (b) WRT, a shareholder of the Offeror, holds directly 126,007,410 Shares in the Company, representing approximately 39.85% of the total number of issued Shares of the Company;
- (c) TTH, a shareholder of the Offeror, holds directly 104,166,250 Shares in the Company, representing approximately 32.94% of the total number of issued Shares of the Company;
- (d) ETW, a shareholder of the Offeror, holds directly 12,714,200 Shares in the Company, representing approximately 4.02% of the total number of issued Shares of the Company; and

- (e) EDW, a shareholder of the Offeror, holds directly 19,352,700 Shares in the Company, representing approximately 6.12% of the total number of issued Shares of the Company.

Based on the above, the Offeror's Shareholders collectively held 262,240,560 Shares in the Company, representing approximately 82.93% of the total number of issued Shares of the Company as at 23 December 2021. As announced by the Offeror on the Latest Practicable Date, the Offeror has received valid acceptances representing approximately 92.72% of the total number of Shares as at 6.00 p.m. (Singapore time) on 3 January 2022. These would include Shares held by the Offeror's Shareholders.

6. INFORMATION ON THE COMPANY AND THE GROUP

The following information in italics are extracted from Section 3 of Appendix 2 to the Circular.

The Company is a public limited company incorporated in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited. The Company's main business is in lubricant manufacturing and distribution. It also engages in the trading of petrol and related products, base oils, additives and lubricants as well as other business segments including logistics, and manufacturing of nanofibre materials.

7. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have taken into account the following factors:

- (a) market performance of the Shares;
- (b) the net asset value and net tangible assets of the Group;
- (c) financial performance of the Group;
- (d) comparison of the valuation ratios of the Company implied by the Offer Price against those of comparable companies;
- (e) comparison with recently completed privatisation transactions for companies listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and
- (f) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

7.1 MARKET PERFORMANCE OF THE SHARES

7.1.1 Historical closing price of the Shares

We note that the Shares were first traded on the Catalist board of the SGX-ST on 8 July 2016. In 2017, the Company allotted and issued 33,399,000 new ordinary shares (the “**Acquisition Shares**”) as partial satisfaction of the purchase consideration in relation to the acquisition of 95% interest in PT Pacific Lubritama Indonesia (“**PLI**”). There has been no change to the Company’s issued share capital comprising 316,211,360 Shares since the allotment and issue of the Acquisition Shares.

We set out a chart comparing the Offer Price with the daily closing prices of the Shares for the period commencing from 8 July 2016 (being the market day on which the Shares were listed on the Catalist board of the SGX-ST) up to 30 December 2021 (being the market day where the Shares were last transacted prior to the Latest Practicable Date) as follows:



As set out in the chart above, other than the period between 27 March 2019 and 3 March 2020 (both dates inclusive) where the closing prices of the Shares were consistently above the Offer Price of S\$0.45, the Offer Price is generally above the closing prices of the Shares for the period between 8 July 2016 and 30 December 2021.

7.1.2 Trading statistics of the Shares

We tabulate below selected statistical information on the share price and trading liquidity of the Shares for the last two years prior to 9 December 2021 (the “**Last Market Day**”), being the last market day on which the SGX-ST is open for trading prior to the Offer Announcement Date up to 30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date:

	VWAP ⁽¹⁾ (S\$)	Premium of Offer Price to VWAP (%)	Highest trading price (S\$)	Lowest trading price (S\$)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods up to and including 9 December 2021</u>						
Last 24 months	0.4281	5.12	0.505	0.310	27,702	0.09
Last 12 months	0.3944	14.10	0.450	0.310	29,718	0.09
Last 6 months	0.3874	16.16	0.450	0.310	42,408	0.13
Last 3 months	0.3855	16.73	0.420	0.310	62,380	0.20
Last 1 month	0.3857	16.67	0.420	0.355	123,029	0.39
8 December 2021 (being the last market day on which the Shares were traded prior to the Offer Announcement Date)	0.4123	9.14	0.420	0.400	101,000	0.32
<u>Periods after the Offer Announcement Date</u>						
Between 13 December 2021 and 30 December 2021, both dates inclusive	0.4450	1.12%	0.450	0.445	316,013	1.00
30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date	0.4450	1.12%	0.445	0.445	2,007,000	6.37

Source: Bloomberg L.P.

Notes:

- (1) Rounded to four (4) decimal places.
- (2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total days where the Shares were traded ("**Trading Days**") during that period. The average daily traded volumes of the Shares will be lower if it is calculated based on the number of days which the SGX-ST is open for trading of securities ("**Market Days**"). Average daily traded volumes of the Shares for the abovementioned periods also exclude married trades of 4,000,000 Shares on 13 December 2019, 3,000,000 Shares on 3 March 2020, 4,000,000 Shares on 30 June 2020, 2,300,000 Shares on 26 October 2020, 2,600,000 Shares on 1 March 2021, 1,000,000 Shares on 31 May 2021, 663,700 Shares on 16 September 2021 and 546,700 Shares on 18 November 2021.
- (3) Calculated based on the difference between (i) the Company's issued share capital of 316,211,360 Shares; and (ii) the 284,684,160 Shares being the subject of the Irrevocable Undertakings.

We note the following with regard to the trading prices of the Shares:

- (a) the Shares traded between a low S\$0.310 and a high of S\$0.505 for the two (2) years period prior to the Offer Announcement Date;
- (b) the Offer Price is the same as the highest trading price of S\$0.45 for the one (1) year period prior to the Offer Announcement Date and represents premium to the highest trading price of S\$0.42 for the 6-month period prior to the Offer Announcement Date;
- (c) the Offer Price represents premia of 5.12%, 14.10%, 16.16%, 16.73%, 16.67% and 9.14% to the VWAPs of the Shares respectively for the 24-month, 12-month, 6-month, 3-month, 1-month periods prior to the Offer Announcement Date and on 8 December 2021 (being the last market day on which the Shares were traded prior to the Offer Announcement Date);
- (d) the Offer Price continues to represent premia, albeit lower at 1.12%, to the VWAPs of the Shares for the period after the Offer Announcement Date from 13 December 2021 to 30 December 2021 (both dates inclusive) and on 30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

- (i) the average daily traded volume of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date and on 8 December 2021 (being the last market day on which the Shares were traded prior to the Offer Announcement Date) represents less than 1% of the free float. Average daily traded volume during the aforesaid periods was less than 130,000 Shares;
- (ii) as mentioned in note (2) to the table above, the average daily traded volumes of the Shares are calculated based on the total number of Trading Days. The average daily traded volumes of the Shares will be lower if it is calculated based on the number of



Market Days during that period. We set out the number of Trading Days and Market Days for the same periods as follows:

	Number of Trading Days	Number of Market Days
<u>Periods up to and including 9 December 2021</u>		
Last 24 months	121	504
Last 12 months ⁽³⁾	45	252
Last 6 months	24	128
Last 3 months	15	64
Last 1 month	7	22
 <u>Period after the Offer Announcement Date</u>		
Between 13 December 2021 and 30 December 2021, both dates inclusive	8	14

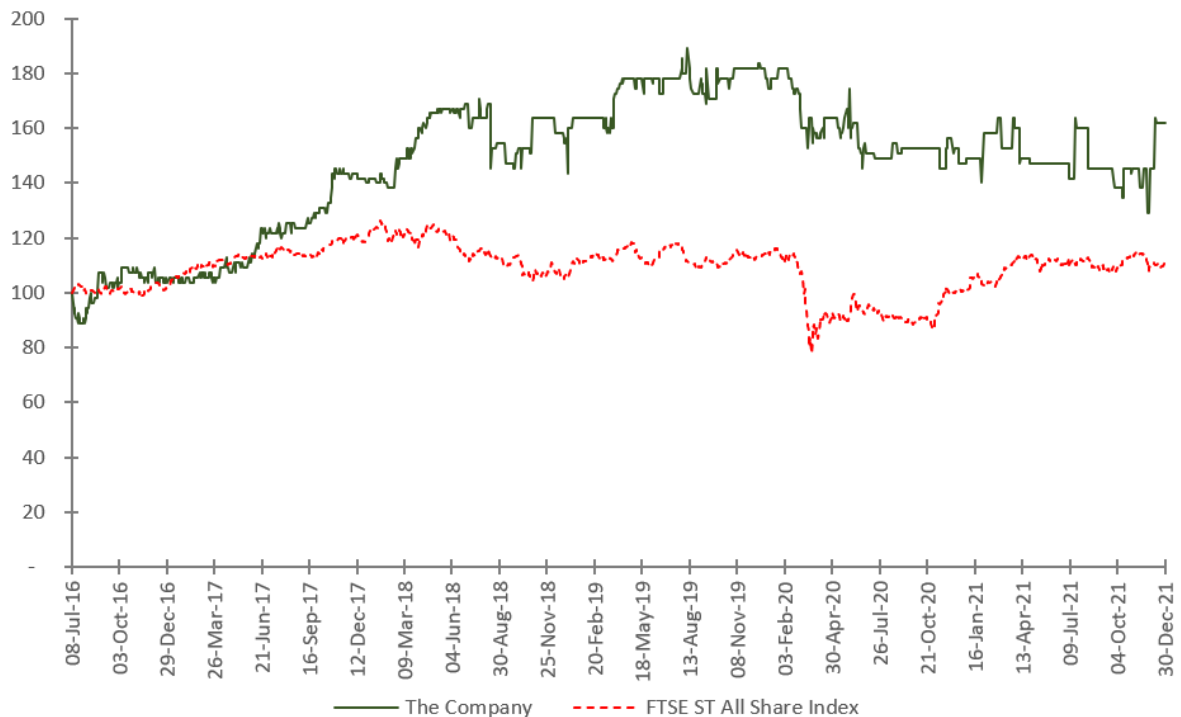
As set out in the table above, the Shares were traded on less than 25% of the Market Days for the 24-month, 12-month, 6-month and 3-month periods prior to the Offer Announcement Date. The Trading Days for the 1-month period prior to the Offer Announcement Date represents 31.81% of the Market Days for the same period; and

- (iii) the average daily traded volume of the Shares for the period after the Offer Announcement Date up to 30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date represents 1.00% of the free float while the total volume of Shares traded on 30 December 2021 represents a high of 6.37% of the free float.

Based on the above, the Shares are relatively illiquid.

7.1.3 Market performance of the Shares versus the FTSE ST All Share Index

In addition, to assess the relative performance of the Shares versus the Singapore equity market, we compare the relative returns of the Shares against the FTSE ST All Share Index (“**FTSE ST All Share Index**”), which is a market capitalisation-weighted stock market index that tracks the performance of companies representing 98% of Singapore market capitalisation, for the period since the listing of the Shares on the Catalist board of the SGX-ST up to 30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date as follows:



Source: Bloomberg L.P.

We note that the Shares outperformed the FTSE ST All Share Index for the above-mentioned period.

7.1.4 Previous purchases of Shares by the Offeror's Shareholders

As mentioned in note (2) to the table in paragraph 7.1.2 of this IFA Letter, married trades of Shares were excluded from the calculation of the average daily traded volumes of the Shares for the 24-month periods prior to the Offer Announcement Date. We note that some of the married trades were executed by the Offeror's Shareholders and we set out as follows:

Date of married trade	Offeror's Shareholders who made the married trade	Number of Shares	Price paid for each Share (S\$)
13 December 2019	TTH	2,000,000	0.470
3 March 2020	TTH	3,000,000	0.470
30 June 2020	EDW	4,000,000	0.410
26 October 2020	EDW	2,300,000	0.420
1 March 2021	EDW	2,600,000	0.420
31 May 2021	EDW	1,000,000	0.405
16 September 2021	EDW	663,700	0.410

We calculate the VWAP of the married trades executed by the Offeror's Shareholders to be S\$0.432 per Share. The Offer Price represents a premium of S\$0.018 or 4.14% to such VWAP.

7.2 THE NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSETS ("NTA") OF THE GROUP

7.2.1 NAV of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the group, and after deducting net assets attributable to non-controlling interests. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group and the balance proceeds, if any, be distributed to all shareholders.

Shareholders should note that such an analysis provides only an estimate of the value of the Group based on a hypothetical scenario, which does not take into account factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers for the assets, which would have an impact on the realisable value of the NAV.

A summary of the latest audited financial position of the Group as at 31 December 2020 and the latest unaudited financial position of the Group as at 30 June 2021 is set out below:

US\$'000	Audited as at 31 December 2020	Unaudited as at 30 June 2021
Current assets	40,282	41,322
Non-current assets	62,384	61,878
Total assets	102,666	103,200
Current liabilities	(2,903)	(2,978)
Non-current liabilities	(40)	(20)
Total liabilities	(2,943)	(2,998)
NAV (being total assets less total liabilities)	99,723	100,202
Add: Losses attributable to non-controlling interest	1	2
NAV attributable to owners of the Company	99,724	100,204
NAV per Share (US\$ cents)	31.5	31.7
NAV per Share (S\$ cents) ⁽¹⁾	41.7	42.6

Note:

- (1) Converted based on the closing exchange rate of US\$1.00 to S\$1.3215 and S\$1.3443 as at 31 December 2020 and 30 June 2021 respectively.

Based on the Company's issued share capital of 316,211,360 Shares as at the Latest Practicable Date:

- (a) the audited NAV per Share as at 31 December 2020 was approximately 31.5 US cents or 41.7 S\$ cents. The Offer Price represents a premium of approximately S\$0.033 or 7.91% to the audited NAV per Share, or a price-to-NAV ("P/NAV") ratio of approximately 1.08 times; and
- (b) the unaudited NAV per Share as at 30 June 2021 was approximately 31.7 US cents or 42.6 S\$ cents. The Offer Price represents a premium of approximately S\$0.024 or 5.63% to the unaudited NAV per Share, or a P/NAV ratio of approximately 1.06 times.

In our evaluation of the NAV of the Group, we also have considered whether there are any assets which should be valued at an amount that is materially different from that which was

recorded in the financial positions of the Group as presented in the table above and whether there are any factors in recent announcements made by the Company that are likely to impact the NAV per Share.

We set out in the table below, the assets which accounted for more than 5% of the NAV of the Group as at the end of the respective financial year:

	Audited as at 31 December 2020		Unaudited as at 30 June 2021	
	US\$'000 (Audited)	As a percentage of the Group's NAV	US\$'000 (Unaudited)	As a percentage of the Group's NAV
Investment in joint venture	60,003	60.2	59,756	59.6
Cash and bank balances	9,716	9.7	17,398	17.4
Financial assets at fair value through profit or loss	25,000	25.1	15,000	15.0
Other receivables	3,512	3.5	8,767	8.7

(i) Investment in joint ventures

Investment in joint ventures of the Group comprises the Group's cost of investment in six (6) joint ventures and share of post-acquisition profit and other comprehensive income less net dividend received.

The Group's main investment in joint ventures relates to the Company's 60% interest in United Oil Company Pte Ltd ("**UOC**") and its two (2) subsidiaries, PLI and Ichiro Corporation Co., Ltd. (the "**UOC Group**").

In November 2019, the Company completed the disposal of its 40% interest in UOC Group and in accordance with the terms of the shareholders' agreement entered into between the Company Repsol Downstream Internacional S.A. (the 40% shareholder of UOC), UOC ceased to be a subsidiary and is considered a joint venture of the Company. Accordingly, the Company de-consolidated the UOC Group from its consolidated statements of financial position with effect from December 2019.

The UOC Group remains as a principal contributor to the Group for the financial year ended 31 December ("**FY**") 2020 and the six months ended 30 June ("**1H**") 2021. Please refer to paragraph 7.3 of this IFA Letter for our analysis of the financial performance of the Group (including the UOC Group).

The following assets and liabilities of the UOC Group are extracted from the annual report of the Company for FY2020 and the unaudited results of the Group for 1H2021 announced on 11 August 2021, which were prepared in accordance with SFRS(I)s, adjusted to reflect adjustments made by the Group when using the equity method,

such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies:

US\$'000	Audited as at 31 December 2020	Unaudited as at 30 June 2021
Current assets	46,600 ⁽¹⁾	58,261
Current liabilities	(15,429)	(30,350)
Net current assets	31,171	27,911
Non-current assets	34,655 ⁽¹⁾	34,228
Non-current liabilities	(7,847)	(7,717)
NAV	57,979	54,422

Note:

- (1) US\$547,000 was reclassified from current assets to non-current assets in the Group's results announcement for 1H2021.

In 1H2021, UOC declared dividends for FY2020 which contributed to the decrease in its NAV from US\$58.0 million as at 31 December 2020 to US\$54.4 million as at 30 June 2021. The dividends to be received by the Company from the UOC Group amounted to US\$5.3 million and was classified under other receivables in the balance sheet of the Group as at 30 June 2021.

The current assets of the UOC Group comprised mainly trade receivables, inventories as well as cash and cash equivalents which in aggregate accounted for more than 90% of the current assets of the UOC Group.

Trade payables amounted to 44.5% and 39.4% of the current liabilities of the UOC Group as at 31 December 2020 and 30 June 2021 respectively.

The non-current assets of the UOC Group comprised mainly property, plant and equipment as well as intangible assets which in aggregate accounted for more than 88% of the non-current assets of the UOC Group. The property, plant and equipment comprised mainly the manufacturing facility of the UOC Group in the province of Banten, Indonesia while the intangible assets of the UOC Group comprised Brand Name and Contractual Customer Relationships arising from the fair value adjustments made at the time of acquisition.

The non-current liabilities of the UOC Group comprised mainly non-current financial liabilities which in aggregate accounted for 35.6% of the non-current liabilities of the UOC Group as at 31 December 2020 and 30 June 2021.

(ii) Financial assets at fair value through profit or loss

This relates to the Group's investment in a currency linked principal protected structured investment which pegged its investment return based on the exchange rate movement during the investment period. As at 31 December 2020, the outstanding contracts had total notional principal value of US\$25,000,000 with interest rates ranging from 0% to 4.0% per annum and maturity period ranging from 6 to 12 months. During 1H2021, the Group redeemed US\$10,000,000 of such financial assets upon maturity with nil returns. The balance of US\$15,000,000 as at 30 June 2021 matured in September 2021 with nil returns to the Group.

(iii) Other receivables

Other receivables as at 30 June 2021 comprised mainly the dividends receivable by the Group from the UOC Group. The Group has received the dividends in July 2021.

The Directors confirm that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

- (1) there is no event subsequent to 30 June 2021 which would materially affect the NAV of the Group;
- (2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV of the Group as at 30 June 2021; and
- (3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 30 June 2021.

In addition, we note from Section 7 of the Offer Document that, in relation to the assets and liabilities of the Group, the Offeror does not intend to (a) make major changes to the business of the Company or its management team, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the employees of the Company and of its subsidiaries. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Company.

As such, no adjustment to the NAV per Share is required.

7.2.2 NTA of the Group

While no intangible assets appeared on the balance sheet of the Group as at 31 December 2020 and 30 June 2021, the Group's investment in joint ventures included fair value gains arising from a one-off gain on re-measurement of the Group's remaining 60% stake in the UOC Group which amounted to US\$37.7 million recognised in FY2019.

Accordingly, the following adjustments were made to the Group's NAV to calculate the NTA of the Group:

US\$'000	Audited as at 31 December 2020	Unaudited as at 30 June 2021
NAV	99,724	100,204
Less: Goodwill in investment in joint ventures	(25,914)	(25,914)
Less: Intangible assets of the UOC Group	(12,037)	(11,552)
NTA	61,773	62,738

Based on the Company's issued share capital of 316,211,360 Shares as at the Latest Practicable Date:

- (a) the audited NTA per Share as at 31 December 2020 was approximately 19.5 US cents or 25.8 S\$ cents. The Offer Price represents a premium of approximately S\$0.192 or 74.31% to the audited NTA per Share, or a price-to-NTA ("P/NTA") ratio of approximately 1.74 times; and
- (b) the unaudited NTA per Share as at 30 June 2021 was approximately 19.8 US cents or 26.7 S\$ cents. The Offer Price represents a premium of approximately S\$0.183 or 68.72% to the unaudited NTA per Share, or a P/NTA ratio of approximately 1.69 times.

7.3 FINANCIAL PERFORMANCE OF THE GROUP

We summarise the financial results of the Group for the last three completed financial years, and for 1H2020 and 1H2021 as follows:

US\$'000	Audited FY2018	Audited FY2019 (restated)	Audited FY2020	Unaudited 1H2020	Unaudited 1H2021
Revenue	108,472	102,471	175 ⁽¹⁾	83	2,718
Profit before tax	9,418	68,754 ⁽²⁾	3,241	1,682	3,218
Profit attributable to equity holders of the Company	7,599	66,963 ⁽²⁾	3,241	1,677	3,219

Source: Annual reports and results announcements of the Company.

Notes:

- (1) As mentioned in paragraph 7.2 of this IFA Letter, the Company completed the disposal of 40% interest in UOC in November 2019 and de-consolidated the UOC Group from its consolidated financial statements with effect from December 2019. As a result, the revenue of the Group with effect from December 2019 only includes revenue from the nano-fibre oil absorbent manufacturing business.

- (2) This include the gain on disposal of subsidiaries (namely 40% of the UOC Group) of US\$24.8 million and gain on re-measurement of remaining stake in a joint venture (being 60% of the UOC Group) of US\$37.7 million. Excluding these one-off gains, the Group would have registered profit attributable to equity holders of the Company of US\$4,455,000 for FY2019.

Revenue

Group revenue decreased by 5.5%, from US\$108.5 million in FY2018 to US\$102.5 million in FY2019. This was due to the disposal of the UOC Group in November 2019 and the de-consolidation of the revenue of the UOC Group for December 2019 in the Group's consolidated financial statements.

Group revenue decreased by 99.8%, from US\$102.5 million in FY2019 to US\$175,000 in FY2020, due to the de-consolidation of the UOC Group with effect from December 2019. FY2020's revenue consists only of revenue generated by the Group's nano-fibre oil absorbent manufacturing business.

For 1H2021, group revenue increased by US\$2.6 million or 3,174.7%, from US\$83,000 in 1H2020 to US\$2.7 million in 1H2021. This was mainly due to one-off sale of gasoil to its joint venture partner in Philippines. The one-off sale of gasoil was a transaction contracted in FY2019 but which could not be completed due to a third party interim injunction in aid of arbitration taken against the joint venture partner in June 2019. The arbitration dispute between the joint venture partner and the third party was subsequently resolved and the interim injunction lifted, allowing for the gasoil sale to be completed.

Profit before tax

Profit before tax increased by US\$59.4 million, from US\$9.4 million in FY2018 to US\$68.8 million in FY2019. This was mainly due to the one-off gains as mentioned in note (2) to the table above.

Profit before tax decreased by US\$65.5 million, from US\$68.8 million in FY2019 to US\$3.2 million in FY2020 due to the absence of the one-off gains in FY2019 as mentioned above.

As mentioned above, the Company de-consolidated the UOC Group with effect from December 2019. As the Company continues to hold 60% interest in UOC, the Group recognised the contribution of the UOC Group by way of share of profit of joint ventures in its statements of profit or loss. The Group's share of profit of joint ventures for FY2020, 1H2020 and 1H2021 are as follows:

US\$'000	Audited FY2020	Unaudited 1H2020	Unaudited 1H2021
Share of profit of joint ventures	5,392	2,276	3,410
Share of profit from UOC Group	5,385	2,276	3,484



US\$'000	Audited FY2020	Unaudited 1H2020	Unaudited 1H2021
UOC Group's contribution as a percentage of the Group's share of profit of joint ventures	99.9%	100.0%	102.2%

The Group's profit before tax increased by US\$1.5 million or 91.3%, from US\$1.7 million in 1H2020 to US\$3.2 million in 1H2021. This was mainly due to higher share of profit from its lubricants joint venture business, that is, the UOC Group as set out above. The Group also had other income due to write back of inventories recognised as an income after the Group sold the inventories at a higher net realisable value in 1H2021. These increases were partially offset by administrative expenses which increased by US\$0.1 million from US\$1.1 million in 1H2020 to US\$1.2 million in 1H2021.

Profit attributable to equity holders of the Company and earnings per Share

Excluding the one-off gains from the sale of 40% interest in UOC in FY2019, the profit attributable to equity holders of the Company has been decreasing from US\$7.6 million in FY2018, to US\$4.5 million in FY2019 and to US\$3.2 million in FY2020.

Based on the profit attributable to equity holders of the Company of US\$3.2 million for FY2020 and the average month-end exchange rate of US\$1.00 to S\$1.3777 for FY2020, the earnings per Share is S\$0.0141. The price-earnings ("P/E") ratio represented by the Offer Price is 31.9 times.

Based on the profit attributable to equity holders of the Company for FY2020, 1H2020 and 1H2021, we calculate the profit attributable to equity holders of the Company for the last 12 months ended 30 June 2021 ("LTM2021") to be US\$4,783,000. Based on the average month-end exchange rate of US\$1.00 to S\$1.3444 for LTM2021, the earnings per Share is S\$0.0203 and the P/E ratio represented by the Offer Price is 22.2 times.

7.3.1 Earnings before interest, tax, depreciation and amortisation ("EBITDA")

We calculate the EBITDA of the Group as follows:

US\$'000	FY2018	FY2019	FY2020	1H2020	1H2021
Profit before tax	9,418	68,754	3,241	1,682	3,218
Add: Depreciation	836	1,049	404	200	205
Add: Amortisation	105	96	-	-	-
Add: Interest expense	264	188	5	3	2
Less: Interest income	(52)	(84)	(294)	(279)	-
Group's EBITDA	10,571	70,003 ⁽¹⁾	3,356	1,606	3,425

Note:

- (1) This includes gains on disposal of the UOC Group as set out in note (2) to the table in paragraph 7.3 of this IFA Letter. Excluding these one-off gains, the Group would have EBITDA of US\$7,495,000 for FY2019.

As set out in the paragraphs above, the UOC Group remains a key contributor of the profit of the Group after the de-consolidation with effect from December 2019. We calculate the EBITDA of the Group after adding back UOC Group's contribution for FY2020 and LTM2021 as follows:

US\$'000	FY2020	1H2020	1H2021	LTM2021
Group's EBITDA	3,356	1,606	3,425	5,175
Less: Share of profit from UOC Group	(5,385)	(2,276)	(3,484)	(6,593)
Add: UOC Group's EBITDA				
Profit for the year/period	10,988	3,832	6,587	13,743
Add: Income tax expense	2,455	814	1,370	3,011
Add: Depreciation and amortisation	913	457	522	978
Add: Amortisation arising from purchase price allocation	1,870	-	712	2,582
Add: Interest expense	227	111	118	234
Less: Interest income	(222)	(74)	(61)	(209)
UOC Group's EBITDA	16,231	5,140	9,248	20,339
60% attributable to the Group	9,739	3,084	5,549	12,203
Group's EBITDA (including 60% of the UOC Group)	7,710	2,414	5,490	10,785

Based on the tables set out above, excluding the one-off gains and adding 60% of the EBITDA of the UOC Group attributed to the Group, the Group's adjusted EBITDA decreased from US\$10.6 million for FY2018 to US\$7.5 million for FY2019 then improved to US\$7.7 million and US\$10.8 million for FY2020 and LTM2021, respectively.

The EBITDA is usually adopted to calculate the enterprise value (“EV”)-to-EBITDA (“EV/EBITDA”) ratio of a company. EV is defined as the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents.

We calculate the EV of the Group as at 31 December 2020 and 30 June 2021 as follows:

US\$’000	As at 31 December 2020	As at 30 June 2021
Value of the Company as implied by the Offer Price ⁽¹⁾	107,677	105,851
Add: Non-controlling interests	1	2
Add: Borrowings	78	59
Less: Cash and cash equivalents	(9,716)	(17,398)
Company’s EV before adjusting for UOC Group’s financials	98,040	88,514
Add: 60% of the UOC Group’s current financial liabilities (excluding trade and other payables and provisions)	1,277	1,591
Add: 60% of the UOC Group’s non-current financial liabilities (excluding trade and other payables and provisions)	1,678	1,650
Less: 60% of the UOC Group’s cash and cash equivalents	(10,106)	(8,166)
EV	90,889	83,589

Note:

(1) Converted based on the closing exchange rate of US\$1.00 to S\$1.3215 and S\$1.3443 as at 31 December 2020 and 30 June 2021 respectively.

Based on the above, the EV/EBITDA ratios of the Group are 11.8 times and 7.8 times for FY2020 and LTM2021 respectively.



7.3.2 Dividend track record of the Company

We note that the Company does not have a formal dividend policy.

We set out below the information on the dividend per Share declared and paid by the Company since its listing in July 2016:

Dividends declared and paid by the Company	S\$
FY2016 interim dividend	0.005
FY2016 final dividend	0.005
FY2017 interim dividend	0.005
FY2017 final dividend	0.007
FY2018 interim dividend	0.005
FY2018 final dividend	0.005
FY2019 special dividend	0.020
FY2019 final dividend	0.012
FY2020 final dividend	0.010
TOTAL	0.074

The Company declared a special dividend of S\$0.02 for FY2019 after the completion of the disposal of its 40% interest in UOC. Excluding this special dividend, the annual dividend declared and paid by the Company has a dividend yield of between 2.22% and 2.67% based on the Offer Price of S\$0.45 for each Offer Shares.

For the purpose of analysing the Offer, we have considered that the Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative equity investments such as a broad Singapore market index instrument such as the STI Exchange Traded Fund (“**STI ETF**”). As at the Latest Practicable Date, the 12-month dividend yield of the STI ETF is 3.30%. This suggests that a Shareholder who accepts the Offer may potentially experience an increase in dividend income if they reinvest the proceeds from the Offer in the STI ETF.

7.3.3 Potential deferred consideration for the disposal of 40% interest in UOC in 2024

In the Company's circular dated 24 October 2019 in relation to the disposal of the Company's 40% interest in UOC ("the **October 2019 Circular**"), the Company is entitled to a deferred consideration 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 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 meaning of the terms in quotation as extract from the October 2019 Circular are set out in *italics* as follows:

"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.

"Earnout Period" : Means the period between 1 January 2023 to 31 December 2023

Based on the formula for Final Earnout Contribution Margin as set out above and the available information disclosed in the Company's results announcement for 1H2021, we calculate as follows:

US\$'000	1H2021
Gross profit	14,639
Less: Selling and distribution expenses	(2,816)
Add: Depreciation and amortisation of the manufacturing operations	351
	12,174



The above table does not take into account certain items excluded in the computation of the Final Earnout Contribution Margin as set out in italics above. The Company estimates such items aggregated US\$406,000 for 1H2021. The Final Earnout Contribution Margin of UOC Group for 1H2021 would have been US\$12,580,000 which translate to an annualised Final Earnout Contribution Margin of US\$25,160,000, representing a shortfall of 26.4% to or 73.6% of the Earnout Contribution Margin Target of US\$34.2 million for the financial year ending 31 December 2023.

7.4 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST THOSE OF COMPARABLE COMPANIES

While the Company has de-consolidated the UOC Group from its consolidated financial statements with effect from December 2019, the UOC Group remains as a key contributor to the Group's profit. Comparison is therefore made to listed companies whose business is broadly comparable to the UOC Group ("**Comparable Companies**") to assess the Offer Price in relation to the valuation of the Comparable Companies as implied by their last traded prices as at the Latest Practicable Date.

As we have only identified one Comparable Company listed on the SGX-ST, we have expanded our selection of the Comparable Companies to companies listed on established stock exchanges in the developed Asian countries such as Japan and South Korea. We wish to highlight that the list of Comparable Companies is not exhaustive and none of the Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

For the comparison of Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

Valuation measure	General description
P/NAV	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

Valuation measure	General description
P/NTA	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their amortisation and asset valuation policies.
P/E	P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
EV/EBITDA	EV/EBITDA ratio is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.

We set out in the table below the list of Comparable Companies, together with a brief description of their business activities which are considered **broadly** comparable to the UOC Group:

Comparable Companies	Business Activities
AP Oil International Limited (" AP Oil ") listed on the SGX-ST	AP Oil International Limited operates as a petroleum wholesaler. The company distributes a range of lubricating oils and fluids and specialty chemicals for industrial, automotive, and marine applications. AP Oil serves customers in Asia.
Fuji Kosan Company, Ltd. (" Fuji Kosan ") listed on Tokyo Stock Exchange	Fuji Kosan distributes oil and petroleum products purchased from ENEOS Corporation and its affiliated companies. The company's products include fuels, lubricants, and asphalts. Fuji Kosan also leases construction machinery.
Hankook Shell Oil Co., Ltd. (" Hankook ") listed on Korea Stock Exchange	Hankook manufactures and markets lubricants, grease, and other petroleum products used for cars, vessels, industrial machinery, and cutting tools. The company exports its products to Southeast Asian countries, Russia, and the People's Republic of China. Hankook Shell is an affiliate of Royal Dutch Shell Group.

Comparable Companies Business Activities

S-Oil Corporation (“S-Oil”) listed on Korea Stock Exchange	S-Oil refines crude oil and sells petroleum and its related products. The company mainly focuses on petroleum refining, petrochemical, and lubricant business. S-Oil’s major products are gasoline, bunker oil, kerosene, naphtha, lubricants, benzene, toluene, and xylene.
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Source: Bloomberg L.P.

The statistics of the Comparable Companies are computed based on the last traded prices as at the Latest Practicable Date and latest publicly available financial results. We set out in the table below the financial ratios of the Comparable Companies as at the Latest Practicable Date:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$m)	Profit attributable to equity holders ⁽²⁾ (S\$m)	NAV ⁽²⁾ (S\$m)	P/NAV ratio (times)	P/NTA ratio (times)	P/E ratio (times)	EV/EBITDA ratio (times)
AP Oil	27.3	2.5	57.9	0.5	0.5	10.9	1.0
Fuji Kosan	106.8	4.1	113.2	1.0	1.0	28.0	5.6
Hankook	372.9	29.5	118.5	3.2	3.2	13.2	6.6
S-Oil	11,514.7	1,391.3	7,636.4	1.5	1.5	8.7	6.1

Maximum				3.2	3.2	28.0	6.6
Minimum				0.5	0.5	8.7	1.0
Mean				1.5	1.6	15.2	4.8
Median				1.3	1.3	12.0	5.8

The Company (at the Offer Price)	142.3	6.4	134.7	1.1	1.7	22.2	7.8
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Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

- (1) Based on last traded prices of the respective counters as at the Latest Practicable Date.



- (2) Based on latest available 12 months profits attributable to equity holders as announced by the respective Comparable Companies and converted to Singapore dollars based on the average month-end exchange rates for the 12 months period for profits and based on the closing exchange rate as at the end of the respective financial periods for NAV.

For illustrative purpose only, based on the above ratio analysis, we note that:

- (a) the P/NAV ratio of the Company based on the Offer Price of 1.1 times is within the range but lower than the mean and median P/NAV ratios of the Comparable Companies while the P/NTA of the Company based on the Offer Price of 1.7 times is within the range and higher than the mean and median P/NTA ratios of the Comparable Companies;
- (b) the P/E ratio of the Company based on the Offer Price of 22.2 times is within the range and higher than the mean and median P/E ratios of the Comparable Companies; and
- (c) the EV/EBITDA ratio of the Company based on the Offer Price of 7.8 times is higher than the range of EV/EBITDA ratios of the Comparable Companies.

7.5 COMPARISON WITH RECENTLY COMPLETED PRIVATISATION TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in Sections 9.1 and 9.2 of the Offer Document, the Offeror does not intend to preserve the listing status of the Company and the Offeror will be exercising its right to compulsorily acquire all the Offer Shares not acquired under the Offer.

Accordingly, we have compared the key terms of the Offer with those of selected successful privatisation transactions that were announced and completed since 1 January 2020 and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the listing manual of the SGX-ST (the "**Listing Manual**"), offers being made by way of a scheme of arrangement under Section 210 of the Companies Act (Chapter 50 of Singapore) or general takeover offers under the Code where the offeror has stated its intentions to delist the listed company from the SGX-ST, whether in cash or otherwise ("**Recent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs prior to the announcement of the respective Recent Privatisation Transactions.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of

consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in Recent Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Recent Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

The statistics of the Recent Privatisation Transactions are as follows:

Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to) ⁽¹⁾ :				Offer price-to-NAV or RNAV ⁽²⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Fragrance Group Limited	9-Jul-21	VGO	16.9	19.0	19.0	20.0	0.70
Cheung Woh Technologies Limited	6-May-21	VGO	90.0	90.0	92.6	109.6	1.10
Sin Ghee Huat Corporation Ltd	20-Apr-21	VGO	25.6	68.2	68.2	68.8	0.64
Neo Group Limited	30-Mar-21	VGO	20.0	17.9	14.5	15.4	1.22
Singapore Reinsurance Corporation Limited	19-Mar-21	VGO	17.8	20.6	20.8	21.8	0.79
World Class Global Limited	12-Mar-21	SOA	112.1	107.9	107.9	89.2	0.83
Top Global Limited	9-Mar-21	VGO	122.9	133.6	146.8	148.7	0.32 ⁽³⁾
International Press Softcom Limited	28-Jan-21	VGO	12.5	25.4	32.0	21.6	1.08
GL Limited	15-Jan-21	VGO	25.0	28.2	33.4	27.5	0.66
CEI Limited	11-Jan-21	VGO	15.0	18.1	20.5	23.6	1.89
Hi-P International Limited	18-Dec-20	VGO	13.6	23.2	42.3	50.6	2.60
Sunvic Chemical Holdings Limited	20-Nov-20	VGO	27.3	40.0	(3.4)	16.7	0.16 ⁽³⁾
LCT Holdings Limited	16-Sep-20	VGO	39.5	60.8	61.7	61.5	0.91

Premium / (Discount) of offer price over/(to) ⁽¹⁾:

Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price-to-NAV or RNAV ⁽²⁾ (times)
Sunningdale Tech Ltd.	9-Sep-20	SOA	32.0	39.1	45.0	58.2	0.77
SK Jewellery Group Limited	2-Sep-20	VGO	70.5	90.2	94.8	93.7	1.31
China Jishan Holdings Limited	20-Aug-20	VGO	84.2	101.3	106.4	116.7	0.78
Teckwah Industrial Corporation Limited	12-Aug-20	VGO	17.8	23.1	25.0	32.4	0.81
Luzhou Bio-chem Technology Limited	30-Jun-20	VGO	100.0	87.5	130.8	150.0	n.a.
Dynamic Colours Limited	1-Jun-20	VGO	13.6	22.8	29.1	26.8	0.91
Perennial Real Estate Holdings Limited	15-May-20	VGO	88.1	105.2	124.2	112.7	0.58
Elec & Eltek International Company Limited	3-Apr-20	VGO	93.0	61.3	43.8	48.4	1.00
Breadtalk Group Ltd	24-Feb-20	VGO	19.4	30.1	24.0	25.0	2.81
Maximum			122.9	133.6	146.8	150.0	2.81
Minimum			12.5	17.9	(3.4)	15.9	0.16
Mean ⁽³⁾			48.0	55.2	58.2	60.9	1.04
Median ⁽³⁾			26.5	39.6	43.1	49.5	0.83
The Company (Based on Offer Price)	10-Dec-21	VGO	12.5	16.7	16.7	16.2	1.06

Notes:

- (1) Date of announcement and premium/(discount) of offer price over last transacted price and VWAPs refer to the date of first announcement, including holding announcement, of offers and are extracted from the independent financial adviser's letter set out in respective circular of the companies.
- (2) VGO – Voluntary General Offer and SOA – Scheme of Arrangement
- (3) Based on the NAV per share or adjusted/revalued NAV (“RNAV”) per share, where available, as published in the independent financial adviser's letter set out in respective circular of the companies.



- (4) If the offer price-to-RNAV (“P/RNAV”) ratio of Top Global Limited and the P/NAV ratio of Sunvic Chemical Holdings Limited are excluded as statistical outliers, the mean and median offer price-to-NAV/RNAV ratios of the Recent Privatisation Transactions would be 1.13 times and 0.91 times respectively.

Based on the above, we note that:

- (i) the premium of the Offer Price over the last transacted price prior to the Offer Announcement Date is the same as the lowest premium offered by Recent Privatisation Transactions;
- (ii) the premium of the Offer Price over the VWAP for the 1-month period prior to the Offer Announcement Date is lower than the premia of Recent Privatisation Transactions;
- (iii) the premium of the Offer Price over the VWAPs for the 3-month and 6-month periods prior to the Offer Announcement Date, are within the range but lower than the mean and median premia of Recent Privatisation Transactions; and
- (iv) the ratio of the Offer Price over the NAV per Share is within the range and slightly higher than the mean and median P/NAV ratios (or P/RNAV ratios, where available) of the Recent Privatisation Transactions.

7.6 OTHER CONSIDERATIONS

(a) Compulsory acquisition

The Offeror announced on the Latest Practicable Date that it has received, pursuant to the Offer, valid acceptances representing approximately 92.72% of the total number of Shares as at 6.00 p.m. (Singapore time) on 3 January 2022. Accordingly, the Offeror is entitled to, and will in due course, exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all Shares of Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at the consideration for the Offer being the Offer Price of S\$0.45 (in cash) for each Offer Share and on the same terms as those offered under the Offer (the “**Compulsory Acquisition**”).

Given that the Offeror will need time to prepare and exercise its rights of Compulsory Acquisition, Shareholders may wish to consider tendering their acceptance in respect of their Offer Shares before 5.30 pm on 25 January 2022 (being the final closing date of the Offer) in order to receive the consideration in respect of their Offer Shares earlier.

(b) Suspension and delisting

Given that the Offeror has already received acceptance representing approximately 92.72% of the total issued shares of the Company and will be exercising its rights of

compulsory acquisition under Section 215(1) of the Companies Act in due course, the trading of the Shares will be suspended upon the close of the Offer and the Company will be delisted in due course upon completion of the Compulsory Acquisition. Shareholders who do not accept the Offer will not have a public market to trade in the Shares after the close of the Offer, except that the Shares held by such Shareholders will be compulsorily acquired by the Offeror when the Offeror exercises its rights of Compulsory Acquisition.

(c) Rationale for the Offer

The rationale for the Offer is set out in Section 6 of the Offer Document. We extract in *italics* as follows:

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which may otherwise not be available given the low trading liquidity of the Shares.

The Offer presents Shareholder with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Shares.

The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

(d) No alternative offer

Given that the Offeror has already received acceptances aggregating 92.72% of the total issued shares of the Company as at the Latest Practicable Date, the likelihood of a competing offer from any third party is remote.

(e) Transaction costs in connection with the disposal of the Shares

Given the low liquidity of the Shares (in terms of volume traded and the number of days which the Shares were traded) for the periods set out in paragraph 7.1.2 of this IFA Letter, the Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

8. OUR ADVICE

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the “fairness” of the Offer:

- (a) the closing prices of the Shares on the Catalist board of the SGX-ST were on or below the Offer Price for the period since June 2020;
- (b) the Offer Price represents premia to the VWAPs of the Shares for the 24-month, 12-month, 6-month, 3-month, 1-month periods prior to the Offer Announcement Date;
- (c) the Offer Price continues to represent a premium to the VWAP of the Shares traded after the Offer Announcement Date up to 30 December 2021, being the market day where the Shares were last transacted prior to the Latest Practicable Date;
- (d) the Offer Price represents a premium of approximately 5.6% to the latest unaudited NAV per Share;
- (e) the P/NAV ratio of the Company based on the Offer Price of 1.1 times is within the range but lower than the mean and median P/NAV ratios of the Comparable Companies while the P/NTA of the Company based on the Offer Price of 1.7 times is within the range and higher than the mean and median P/NTA ratios of the Comparable Companies;
- (f) the P/E ratio of the Company based on the Offer Price of 22.2 times is within the range and higher than the mean and median P/E ratios of the Comparable Companies while the EV/EBITDA ratio of the Company based on the Offer Price of 7.8 times is higher than the range of the EV/EBITDA ratios of the Comparable Companies;
- (g) save for the premium of the Offer Price over the VWAP for the 1-month period prior to the Offer Announcement Date which is lower than the premia of Recent Privatisation Transactions, the premia of the Offer Price over the corresponding VWAPs are at the lower range of the premia of Recent Privatisation Transactions; and
- (h) the P/NAV ratio of the Group implied by the Offer Price is with the range and slightly higher than the mean and median P/NAV ratios (or P/RNAV ratios, where available) of the Recent Privatisation Transactions.

We set out below a summary of the key factors we have taken into our consideration when assessing the “reasonableness” of the Offer:

- (i) the Shares has outperformed the FTSE ST All Share Index since the listing of the Company on the Catalist board of the SGX-ST in July 2016; and
- (ii) other relevant consideration as set out in paragraph 7.6 of this IFA Letter.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to accept the Offer.

This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Offer, but the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX 2

ADDITIONAL GENERAL INFORMATION

1. **DIRECTORS**

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Description
Mr. Edy Wiranto	c/o 14 Tuas Drive 2 Singapore 638647	Non-Executive Chairman
Mr. Tan Thuan Hor, Jacky	c/o 14 Tuas Drive 2 Singapore 638647	Executive Director and CEO
Ms. Ety Wiranto	c/o 14 Tuas Drive 2 Singapore 638647	Executive Director
Mr. Mah Kah On, Gerald	c/o 14 Tuas Drive 2 Singapore 638647	Lead Independent Director
Mr. Tan Teng Muan	c/o 14 Tuas Drive 2 Singapore 638647	Independent Director
Mr. Lim Kian Thong	c/o 14 Tuas Drive 2 Singapore 638647	Independent Director

2. **REGISTERED OFFICE**

The registered office of the Company is at 14 Tuas Drive 2 Singapore 638647.

3. **PRINCIPAL ACTIVITIES**

The Company is a public limited company incorporated in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited. The Company's main business is in lubricant manufacturing and distribution. It also engages in the trading of petrol and related products, base oils, additives and lubricants as well as other business segments including logistics, and manufacturing of nanofibre materials.

4. **SHARE CAPITAL**

4.1 **Issued Capital**

As at the Latest Practicable Date, the Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the total issued and paid-up share capital of the Company is approximately S\$28,720,112 comprising 316,211,360 Shares. The Company does not hold any treasury shares as at the Latest Practicable Date. The issued Shares are quoted and listed on the Catalist board of the SGX-ST.

As at the Latest Practicable Date, the Company has not issued any Shares since the end of FY2020.

4.2 **Rights in Respect of Capital, Dividends and Voting**

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution of the Company, which is available for inspection at the registered address of the Company at 14 Tuas Drive 2 Singapore 638647 during normal business hours for the period during which the Offer remains open for acceptance. For ease of reference, selected texts of the Constitution of the Company relating to the same have been extracted and

reproduced in **Appendix 5** to this Circular. Capitalised terms and expressions not defined in the extracts have the meaning ascribed to them in the Constitution and/or the Companies Act.

5. COMPANY CONVERTIBLE SECURITIES

As at the Latest Practicable Date, the Company does not have any outstanding Convertible Securities of the Company.

6. DISCLOSURE OF INTERESTS

6.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or indirect interests in Offeror Securities.

6.2 Dealings in Offeror Securities by the Company

Neither the Company nor its subsidiaries have dealt in Offeror Securities during the period commencing three (3) months prior to 10 December 2021, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.3 Interests of the Directors in Offeror Securities

As at the Latest Practicable Date, Mr. Edy Wiranto, Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto each hold 100 shares, 700 shares and 100 shares respectively in the Offeror, representing 5.0%, 35.0% and 5.0% of the total issued shares in the Offeror. The remaining shares in the Offeror are held by Mr. Wiranto, who is the father of Mr. Edy Wiranto and Ms. Ety Wiranto, and the father-in-law of Mr. Tan Thuan Hor, Jacky.

Save as disclosed above and in this Circular, as at the Latest Practicable Date, none of the Directors have any direct or indirect interests in Offeror Securities.

6.4 Dealings in Offeror Securities by the Directors

Each of Mr. Edy Wiranto, Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto subscribed for 10, 121 and 57 Offeror Securities respectively on incorporation of the Offeror on 22 November 2021, at S\$1.00 for each share. On 8 December 2021, Mr. Edy Wiranto, Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto subscribed for a further 90, 579 and 43 Offer Securities respectively, at S\$1.00 for each share. Save as disclosed in this paragraph 6.4, none of the Directors have dealt in Offeror Securities during the period commencing three (3) months prior to 10 December 2021 being the Offer Announcement Date and ending on the Latest Practicable Date.

6.5 Interests of the Directors in Shares and Convertible Securities of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors have an interest, direct or indirect, in the Shares or Convertible Securities of the Company.

Name	Direct Interest as at the Latest Practicable Date		Deemed Interest as at the Latest Practicable Date	
	No. of Shares	(%) ⁽⁴⁾	No. of Shares	(%)
Mr. Tan Thuan Hor, Jacky	104,166,250	32.94 ⁽¹⁾	12,714,200	4.02 ⁽¹⁾
Ms. Ety Wiranto	12,714,200	4.02 ⁽²⁾	104,166,250	32.94 ⁽²⁾
Mr. Edy Wiranto	19,352,700	6.12 ⁽³⁾	3,170,600	1.00 ⁽³⁾

Notes:

- (1) Mr Tan Thuan Hor, Jacky holds 104,166,250 shares directly, of which 6,350,000 shares are held in his nominee account with Raffles Nominees (Pte) Limited. Mr Tan Thuan Hor, Jacky is deemed to be interested in 12,714,200 shares held by his spouse, Ms Ety Wiranto.
- (2) Ms Ety Wiranto holds 12,714,200 shares directly in her nominee account with Raffles Nominees (Pte) Limited. Ms Ety Wiranto is deemed to be interested in 104,166,250 shares held by her spouse, Mr Tan Thuan Hor.
- (3) Mr Edy Wiranto holds 19,352,700 shares directly in his nominee account with Raffles Nominees (Pte) Limited. Mr Edy Wiranto is deemed to be interested in 3,170,600 shares held by his spouse.
- (4) Based on a total of 316,211,360 Shares in issue.

6.6 Dealings in Shares and Convertible Securities of the Company by the Directors

On 16 September 2021, Mr. Edy Wiranto acquired 663,700 Shares by way of an off-market transaction at S\$0.41 per Share.

Save as disclosed above and save for acceptance of the Offer by the relevant Directors pursuant to the Irrevocable Undertakings as described in paragraph 6.9 below, none of the Directors have dealt in the Shares or Convertible Securities of the Company during the period commencing three (3) months prior to 10 December 2021, being the Offer Announcement Date, and ending on the Latest Practicable Date:

6.7 Interests of the IFA in Shares and Convertible Securities of the Company

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, own or control any Shares or Convertible Securities of the Company as at the Latest Practicable Date

6.8 Dealings in Shares and Company Convertible Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, have dealt for value in the Shares or Convertible Securities of the Company during the period commencing three (3) months prior to 10 December 2021, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.9 Accepting or Rejecting the Offer

Each of Mr. Edy Wiranto, Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto, who have direct or deemed interests in the Shares, have given the Irrevocable Undertakings to accept or procure the acceptance of the Offer in respect of all of the Shares held by them.

7. OTHER DISCLOSURES

7.1 Directors' Service Contracts

Each of Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto had entered into separate service agreements (the "**Service Agreements**") for a period of three (3) years from 8 July 2016, the date of listing. In 2019, the Service Agreements were renewed for a further three (3) years. Each party may terminate the Service Agreement at any time by giving to the other party not less than six (6) months' written notice, or in lieu of such notice an amount equal to six (6) months' salary based on his/her last drawn monthly salary. In addition, under the terms of the respective Service Agreements:

- (i) Each of Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto is entitled to a fixed monthly basic salary; and
- (ii) Each of Mr. Tan Thuan Hor, Jacky and Ms. Ety Wiranto will be paid an annual bonus equivalent to two (2) months' salary. They are also entitled to a tiered annual performance bonus payout ("**Performance Bonus**") in respect of each financial year, which is calculated based on a certain percentage, ranging from 1.0% to 5.75% of the

Group's audited consolidated profit before income tax for the financial year, before payment of the Performance Bonus to all Executive Directors who are entitled to the Performance Bonus and after deducting any profit before tax attributable to minority interests and excluding any gains or losses arising from extraordinary and exceptional items.

Save as disclosed above, as at the Latest Practicable Date, (a) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (b) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period between the start of six (6) months preceding the Offer Announcement Date and the Latest Practicable Date.

7.2 No Payment or Benefit to Directors

As at the Latest Practicable Date, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

7.3 No Agreement Conditional Upon Outcome of the Offer

As at the Latest Practicable Date, save for the Irrevocable Undertakings, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

7.4 Material Contracts Entered Into by the Offeror

As at the Latest Practicable Date, save for the Irrevocable Undertakings, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

8. FINANCIAL INFORMATION OF THE GROUP

A summary of the financial information of the Group for FY2018, FY2019 and FY2020 (based on the audited consolidated financial statements for each of FY2018, FY2019 and FY2020) and for 1H2021 (based on the unaudited consolidated financial statements for 1H2021) is set out below.

A summary of the financial information of the Group as set out in this Paragraph 8 is extracted from, and should be read together with, the annual reports and relevant financial statements, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 14 Tuas Drive 2, Singapore 638647 during normal business hours for the period during which the Offer remains open for acceptance.

(i) **Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	Audited FY2018 US\$'000	Audited FY2019 US\$'000 (Restated)	Audited FY2020 US\$'000	Unaudited 1H2021 US\$'000
Revenue	108,472	102,471	175	2,718
Cost of sales	(87,992)	(82,768)	(439)	(2,873)
Gross profit/ (loss)	20,480	19,703	(264)	(155)
Other income	301	63,328	1,174	1,155
Distribution costs	(2,902)	(2,332)	(23)	(12)
Administrative expenses	(8,154)	(11,700)	(2,015)	(1,178)
Other expenses	(81)	(61)	(1,018)	-
Share of profit of joint ventures	38	4	5,392	3,410
Finance costs	(264)	(188)	(5)	(2)
Profit before tax	9,418	68,754	3,241	3,218
Income tax expense	(1,738)	(1,709)	(1)	-
Profit for the year	7,680	67,045	3,240	3,218
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligations	(14)	14	-	-
Share of remeasurement of defined benefit obligations from joint ventures	-	5	(36)	-
	(14)	19	(36)	-

	Audited FY2018 US\$'000	Audited FY2019 US\$'000 (Restated)	Audited FY2020 US\$'000	Unaudited 1H2021 US\$'000
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	(1,125)	479	(10)	12
Reclassification of currency translation reserve upon de-consolidation of subsidiaries	-	872	-	-
Share of currency translation differences from joint ventures	-	163	(101)	(402)
	(1,125)	1,514	(111)	(390)
Total comprehensive (loss)/ income for the year	(1,139)	1,533	(147)	2,828
Profit attributable to:				
Equity holders of the Company	7,599	66,963	3,241	3,219
Non-controlling interests	81	82	(1)	(1)
	7,680	67,045	3,240	3,218
Total comprehensive income attributable to:				
Equity holders of the Company	6,517	68,477	3,094	2,829
Non-controlling interests	24	101	(1)	(1)
	6,541	68,578	3,093	2,828
Basic and diluted earnings per share (US\$ cents)	2.4	21.2	1.0	1.0

(ii) **Statements of Financial Position**

	Audited FY2018 US\$'000	Audited FY2019 US\$'000 (Restated)	Audited FY2020 US\$'000	Unaudited 1H2021 US\$'000
ASSETS				
Current assets				
Cash and bank balances	7,536	39,775	9,716	17,398
Trade and other receivables	22,563	12,788	3,521	8,775
Financial assets at fair value through profit or loss	-	-	25,000	15,000
Inventories	15,073	185	2,045	149
Total current assets	45,172	52,748	40,282	41,322
Non-current assets				
Other receivables	1,000	-	-	-
Property, plant and equipment	10,328	2,822	2,381	2,122
Investment properties	1,855	-	-	-
Intangible assets	653	-	-	-
Investment in joint ventures	569	54,748	60,003	59,756
Deferred tax assets	118	6	-	-
Total non-current assets	14,523	57,576	62,384	61,878
Total assets	59,695	110,324	102,666	103,200

	Audited FY2018 US\$'000	Audited FY2019 US\$'000 (Restated)	Audited FY2020 US\$'000	Unaudited 1H2021 US\$'000
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowing	7,145	-	-	-
Lease liabilities	37	36	38	39
Trade and other payables	10,653	6,443	2,865	2,939
Amount due to director	2,240	-	-	-
Current tax liabilities	1,326	1	-	-
Total current liabilities	21,401	6,480	2,903	2,978
Non-current liabilities				
Lease liabilities	111	77	40	20
Retirement benefits obligations	476	-	-	-
Deferred tax liabilities	344	-	-	-
Total non-current liabilities	931	77	40	20

	Audited FY2018 US\$'000	Audited FY2019 US\$'000 (Restated)	Audited FY2020 US\$'000	Unaudited 1H2021 US\$'000
Capital and reserves				
Share capital	21,425	21,425	21,425	21,425
Merger reserve	(3,156)	(3,156)	(3,156)	(3,156)
Pension reserve	(7)	5	(31)	(31)
Translation reserve	(1,332)	163	52	(338)
Retained earnings	19,522	85,330	81,434	82,304
Equity attributable to owners of the Company	36,452	103,767	99,724	100,204
Non-controlling interests	911	#	(1)	(2)
Total equity	37,363	103,767	99,723	100,202
Total liabilities and equity	59,695	110,324	102,666	103,200

#: Denotes less than US\$1,000.

The above summary should be read together with the Annual Report FY2020, the audited consolidated statements of financial position of the Group for FY2020 and the related notes thereto which is set out in **Appendix 4** to this Circular, and the unaudited financial statements and dividend announcement for the financial period ended 30 June 2021 (“**1H2021 Financial Statements**”).

9. **MATERIAL CHANGES IN FINANCIAL POSITION**

Save as disclosed in the audited consolidated financial statements of the Group for FY2020, and any other information on the Group which is publicly available (including but not limited to that contained in the Annual Report FY2020, the 1H2021 Financial Statements and the announcements released by the Group on the SGX-ST), there have been no material changes to the financial position of the Company since 31 December 2020, being the date of the last audited accounts of the Company laid before the Shareholders in general meeting.

10. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the Group are disclosed in pages 76 to 92 of the Annual Report FY2020, which are reproduced in **Appendix 4** to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the Annual Report FY2020, the audited consolidated financial statements of the Group for FY2020, the 1H2021 Financial Statements and the announcements released by the Group on the SGX-ST), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

11. **CHANGES IN ACCOUNTING POLICIES**

On January 1, 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years. The following is the list of new and revised SFRS(I)s that are mandatorily effective for the annual period beginning on or after January 1, 2021.

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2
- Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions

At the date of authorisation of these financial statements, the following SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I)s that are relevant to the Group were issued but not yet effective:

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- SFRS(I) 17 Insurance Contracts
- Amendments to SFRS(I) 17: Insurance Contracts

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Our Directors have considered and is of the view that the adoption of the new/revised SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I)s that are issued as at the date of authorisation of these financial statements but effective only in future periods will have no material impact on the financial statements of the Group in the period of their initial adoption.

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the Annual Report FY2020, the audited consolidated financial statements of the Group for FY2020, the 1H2021 Financial Statements and the announcements released by the Group on the SGX-ST), the Group has applied the same accounting policies and methods of computation as with those in the audited financial statements of the Group for FY2020 and as at the Latest Practicable Date, there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

12. **MATERIAL CHANGE IN INFORMATION**

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in the information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

13. **MATERIAL CONTRACTS**

On 26 January 2021, the Company released an announcement (“**January 2021 Announcement**”) providing that its wholly-owned subsidiary, United Supply Chain Pte. Ltd. (“**USC**”) had entered into a joint venture and shareholders’ agreement with Latitude Shipping Pte Ltd (“**Latitude Shipping**”) and Latitude United Shipping Pte Ltd (“**LUS**”), pursuant to which USC and Latitude Shipping agreed to inter into a joint venture in respect of LUS. LUS also entered into a sale and purchase agreement pursuant to which Latitude Shipping shall sell and LUS shall purchase 49% of the issued and paid-up share capital of PT Latitude Inti Mitra Abadi (“**PT LIMA**”). The other shareholder of PT Lima is PT Pelayaran Inti Sejahtera Maju (“**PT PISM**”). Mr Edy Wiranto, the Non-Executive Chairman of the Company, holds an aggregate effective interest of 86.01% in PT PISM. Further to the acquisition by LUS of PT LIMA, LUS and PT PISM also entered into a shareholders’ agreement in respect of PT LIMA. Please refer to the January 2021 Announcement for more details on these transactions.

Save as disclosed above, as at the Latest Practicable Date, there have been no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, during the three (3) years preceding the Offer Announcement Date and ending on the Latest Practicable Date.

14. **MATERIAL LITIGATION**

As at the Latest Practicable Date:

- (a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group taken as a whole; and

- (b) save as disclosed above, the Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

15. GENERAL

15.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

15.2 Consent of the IFA

Xandar Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter which is set out in **Appendix 1** to this Circular and all references to its name in the form and context in which they appear in this Circular.

15.3 Consent of the Registrar

B.A.C.S. Private Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all the references to its name in the form and context in which they appear in this Circular.

15.4 Consent of the Auditors

Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the audited consolidated financial statements of the Group for FY2020, which are set out in **Appendix 4** to this Circular and all references to its name in the form and context in which they appear in this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered address of the Company at 14 Tuas Drive 2 Singapore 638647, during normal business hours from the date of this Circular up to and included the date of the Closing Date:

- (i) the Constitution of the Company;
- (ii) the Annual Report FY2020;
- (iii) the annual reports of the Group for FY2018 and FY2019;
- (iv) the 1H2021 Financial Statements;
- (v) the Offer Announcement;
- (vi) the Offer Document;
- (vii) the IFA Letter, as set out in **Appendix 1** to this Circular;
- (viii) the audited consolidated financial statements of the Group for FY2020, as set out in **Appendix 4** to this Circular; and
- (ix) the letters of consent referred to in **Paragraph 15** above.

APPENDIX 3

INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Appendix 3 to the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

1 DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
TTH	c/o 14 Tuas Drive 2, Singapore 638647	Director
EDW	c/o 14 Tuas Drive 2, Singapore 638647	Director
ETW	c/o 14 Tuas Drive 2, Singapore 638647	Director

2 PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is an investment holding company incorporated in Singapore on 22 November 2021. The Offeror is a special purpose vehicle set up for the purpose of the Offer and exercise of compulsory acquisition such that the Offeror is able to acquire all the outstanding paid-up capital of the Company. The Offeror has not carried on any business since its incorporation, except for matters in connection with the marking of the Offer.

3 SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$2,000, comprising 2,000 ordinary shares, which are held by the shareholders as follows:

Name of Shareholder	Shareholding Percentage
WRT	55%
TTH	35%
EDW	5%
ETW	5%
Total	100%

4 FINANCIAL INFORMATION

The Offeror has not filed any financial statements since its incorporation and up to the date of this Offer Document. Accordingly, there are no significant accounting policies to be noted.

5 MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for the Offeror making and financing the Offer, there has been no known material changes in the financial position of the Offeror since its incorporation.

6 REGISTERED OFFICE

The registered office of the Offeror is at 14 Tuas Drive 2, Singapore 638647.

APPENDIX 4
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2020

The audited consolidated financial statements of the Group for FY2020 which are set out below have been reproduced from the Company's Annual Report FY2020 and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2020 set out below shall have the same meanings given to them in the Annual Report FY2020.

A copy of the Annual Report FY2020 is available for inspection at the registered address of the Company at 14 Tuas Drive 2 Singapore 638647 during normal business hours for the period during which the Offer remains open for acceptance.

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UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

**STATEMENTS OF FINANCIAL POSITION
As at December 31, 2020**

	Note	Group		Company	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		US\$'000	US\$'000 (Restated)	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and bank balances	5	9,716	39,775	9,529	39,656
Trade receivables	6	4	2	-	-
Other receivables	7	3,512	12,786	6,030	13,385
Tax recoverable		5	-	5	-
Financial assets at fair value through profit or loss	8	25,000	-	25,000	-
Inventories	9	2,045	185	-	-
Total current assets		40,282	52,748	40,564	53,041
Non-current assets					
Property, plant and equipment	10	2,381	2,822	316	360
Investment properties	11	-	-	-	-
Intangible assets	12	-	-	-	-
Investment in subsidiaries	22	-	-	10	420
Investment in joint ventures	13	60,003	54,748	8,299	8,299
Deferred tax assets	18	-	6	-	-
Total non-current assets		62,384	57,576	8,625	9,079
TOTAL ASSETS		102,666	110,324	49,189	62,120
LIABILITIES AND EQUITY					
Current liabilities					
Lease liabilities	14	38	36	38	36
Trade payables	15	-	6	-	-
Other payables	16	2,865	6,437	736	4,209
Current tax payable		-	1	-	1
Total current liabilities		2,903	6,480	774	4,246
Non-current liabilities					
Lease liabilities	14	40	77	40	77
Retirement benefits obligations	17	-	-	-	-
Deferred tax liabilities	18	-	-	-	-
Total non-current liabilities		40	77	40	77
Equity					
Share capital	19	21,425	21,425	21,425	21,425
Merger reserve	20	(3,156)	(3,156)	-	-
Pension reserve		(31)	5	-	-
Translation reserve		52	163	-	-
Retained earnings		81,434	85,330	26,950	36,372
Equity attributable to owners of the Company		99,724	103,767	48,375	57,797
Non-controlling interests		(1)	#	-	-
Total equity		99,723	103,767	48,375	57,797
TOTAL LIABILITIES AND EQUITY		102,666	110,324	49,189	62,120

#: Denotes less than US\$1,000.

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended December 31, 2020

	Note	Group	
		2020 US\$'000	2019 US\$'000 (Restated)
Revenue	23	175	102,471
Cost of sales		(439)	(82,768)
Gross (loss) profit		(264)	19,703
Other income	24	1,174	63,328
Distribution cost		(23)	(2,332)
Administrative expenses		(2,015)	(11,700)
Other expenses	25	(1,018)	(61)
Share of profit of joint ventures	13	5,392	4
Finance costs	26	(5)	(188)
Profit before tax	27	3,241	68,754
Income tax expense	28	(1)	(1,709)
Profit for the year		3,240	67,045
Other comprehensive (loss) income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of defined benefit obligations		-	14
Share of remeasurement of defined benefit obligations from joint ventures		(36)	5
		(36)	19
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		(10)	479
Reclassification of currency translation reserve upon de-consolidation of subsidiaries		-	872
Share of currency translation differences from joint ventures		(101)	163
		(111)	1,514
Other comprehensive (loss) income, net of tax		(147)	1,533
Total comprehensive income for the year		3,093	68,578

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
For the financial year ended December 31, 2020

	<u>Note</u>	<u>Group</u>	
		<u>2020</u>	<u>2019</u>
		US\$'000	US\$'000 (Restated)
Profit (Loss) attributable to:			
Equity holders of the Company		3,241	66,963
Non-controlling interests		(1)	82
		<u>3,240</u>	<u>67,045</u>
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		3,094	68,477
Non-controlling interests		(1)	101
		<u>3,093</u>	<u>68,578</u>
Basic and diluted earnings per share (US\$ cents)	30	<u>1.0</u>	<u>21.2</u>

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended December 31, 2020

Group	Note	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at January 1, 2019		21,425	(3,156)	(7)	(1,332)	19,522	36,452	911	37,363
Profit for the year (as restated)	31	-	-	-	-	66,963	66,963	82	67,045
Other comprehensive income		-	-	19	1,495	-	1,514	19	1,533
Total comprehensive income for the year		-	-	19	1,495	66,963	68,477	101	68,578
Transactions with owners, recognised directly in equity:									
Dividends paid to owners of the Company	21	-	-	-	-	(1,162)	(1,162)	-	(1,162)
Cash subscribed by non-controlling shareholder of subsidiary		-	-	-	-	-	-	1	1
Disposal of ownership interest in subsidiaries		-	-	-	-	-	-	(1,013)	(1,013)
Reclassification of pension reserve to retained earnings upon de-consolidation of subsidiaries		-	-	(7)	-	7	-	-	-
Total		-	-	(7)	-	(1,155)	(1,162)	(1,012)	(2,174)
Balance as at December 31, 2019 (as restated)		21,425	(3,156)	5	163	85,330	103,767	#	103,767

#: Denotes less than US\$1,000.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended December 31, 2020**

<u>Group</u>	<u>Note</u>	Share capital	Merger reserve	Pension reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at January 1, 2020 (as restated)		21,425	(3,156)	5	163	85,330	103,767	#	103,767
Profit (Loss) for the year		-	-	-	-	3,241	3,241	(1)	3,240
Other comprehensive loss		-	-	(36)	(111)	-	(147)	-	(147)
Total comprehensive (loss) income for the year		-	-	(36)	(111)	3,241	3,094	(1)	3,093
Transactions with owners, recognised directly in equity:									
Dividends paid to owners of the Company	21	-	-	-	-	(7,137)	(7,137)	-	(7,137)
Balance as at December 31, 2020		21,425	(3,156)	(31)	52	81,434	99,724	(1)	99,723

#: Denotes less than US\$1,000.

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended December 31, 2020**

	<u>Note</u>	<u>Share capital US\$'000</u>	<u>Retained earnings US\$'000</u>	<u>Total US\$'000</u>
<u>Company</u>				
Balance at January 1 2019		21,425	1,853	23,278
Profit for the year, representing total comprehensive income for the year		-	35,681	35,681
Transaction with owners, recognised directly in equity:				
Dividends paid to owners of the Company	21	-	(1,162)	(1,162)
Balance at December 31, 2019		21,425	36,372	57,797
Loss for the year, representing total comprehensive loss for the year		-	(2,285)	(2,285)
Transaction with owners, recognised directly in equity:				
Dividends paid to owners of the Company	21	-	(7,137)	(7,137)
Balance at December 31, 2020		<u>21,425</u>	<u>26,950</u>	<u>48,375</u>

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended December 31, 2020

	2020	2019
	US\$'000	US\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,241	68,754
Adjustments for:		
Share of profit of joint ventures (Note 13)	(5,392)	(4)
Bad debts (recovered) written off	(17)	96
Depreciation of property, plant and equipment	404	988
Depreciation of investment properties	-	61
Property, plant and equipment written off	-	12
Loss on disposal of property, plant and equipment	-	6
Loss on disposal of investment properties	-	12
Amortisation of intangible assets	-	96
Gain on disposal of joint ventures	-	(13)
Gain on de-consolidation of subsidiaries	-	(24,803)
Gain on remeasurement of remaining stake in a joint venture	-	(37,705)
Interest expense	5	188
Interest income	(294)	(84)
Reversal of impairment loss recognised on trade receivables	-	(47)
Impairment loss recognised on other receivables	-	1,056
Write down of inventories recognised as an expense (Note 25)	1,018	-
Operating cash flows before movements in working capital	(1,035)	8,613
Trade receivables	15	5,732
Other receivables	278	(2,961)
Trade payables	(6)	(120)
Other payables	(3,526)	2,898
Inventories	19	8,783
Cash (used in) generated from operations	(4,255)	22,945
Income tax paid	(1)	(1,666)
Interest received	294	84
Interest paid	(5)	(188)
Net cash (used in) from operating activities	(3,967)	21,175

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial year ended December 31, 2020

	2020 US\$'000	2019 US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Final proceeds from disposal of subsidiaries (Note 31)	2,962	-
Proceeds from disposal of property, plant and equipment	-	226
Proceeds from disposal of investment properties	-	879
Purchase of financial assets measured at FVTPL	(25,000)	-
Purchase of property, plant and equipment	(11)	(246)
Net proceeds from disposal of subsidiaries	-	24,746
Acquisition of investment in a joint venture	#	-
Proceeds from disposal of investment in a joint venture	-	298
Repayments from (advances to) joint ventures	3,129	(3,829)
Net cash (used in) from investing activities	<u>(18,920)</u>	<u>22,074</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	-	39,726
Repayment of bank borrowings	-	(45,909)
Repayments of obligation under lease liabilities	(35)	(36)
Increase in pledged fixed deposits	-	(29)
Repayment of loan from a director	-	(2,240)
Dividends paid (Note 21)	(7,137)	(1,162)
Net cash used in financing activities	<u>(7,172)</u>	<u>(9,650)</u>
Net (decrease) increase in cash and cash equivalents	(30,059)	33,599
Effect of exchange rate changes on cash and cash equivalents	-	96
Cash and cash equivalents at beginning of year	39,775	6,080
Cash and cash equivalents at end of year (Note 5)	<u>9,716</u>	<u>39,775</u>

#: Denotes less than US\$1,000.

See accompanying notes to financial statements.

UNITED GLOBAL LIMITED AND ITS SUBSIDIARIES

NOTE TO FINANCIAL STATEMENTS

As at December 31, 2020

1 GENERAL INFORMATION

The Company (Registration Number 201534604M) is incorporated in the Republic of Singapore with the principal place of business and registered office at 14 Tuas Drive 2, Singapore 638647. The Company is listed on SGX-Catalist. The financial statements are presented in the United States dollars, which is the Company's functional currency.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 22.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2020 were authorised for issue by the Board of Directors on March 31, 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payments*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION - The consolidated financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the reporting periods in which the common control combination occurs are included in the consolidated financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

All significant intercompany transactions and balances between the entities in the Group are eliminated on combination.

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined in the manner described in Note 4(b)(v).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘administrative expenses’ line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other gains and losses” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using the specific identification method based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information includes the future prospects of the industries in which the Group’s debtors operate, and consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers changes in the risk that the specified debtor will default on the contract

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower; or
- b) a breach of contract, such as a default or past due event; or
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 *Leases*.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other gains and losses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the property, plant and equipment.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statement of profit or loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using

first-in-first-out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Leasehold property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are carried at cost less accumulated depreciation and any accumulated impairment losses.

Renovation in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets, other than renovation in the course of construction, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Useful lives (years)</u>
Leasehold properties	Over its lease period
Machinery and equipment	10
Motor vehicles	10
Office equipment	5 to 10
Renovation	10

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation, including properties under construction for such purposes, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Office and commercial buildings - Over the respective lease period

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

INTANGIBLE ASSETS - Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Club memberships are held on a long-term basis and are stated at cost less impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in

substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in a joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the joint venture is disposed of.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies SFRS(I) 9, including the impairment requirements, to long-term interests in a joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying SFRS(I) 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by SFRS(I) 1-28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with SFRS(I) 1-28).

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer.

Sale of goods

The Group manufactures and sells lubricants, petroleum, oil based products, base oils, additives and nano-fibre oil absorbent materials to customers. Revenue is recognised when control of the goods has transferred, in accordance with the shipping terms agreed with customers. Payment of the transaction price is due based on the agreed credit terms at the point the customer purchases the goods.

Under the Group's standard contract terms, customers do not have a right of return of the goods.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost, including the impact of curtailment or settlement (if any), is recognised immediately to the extent that the benefits are already vested, or otherwise amortised on a straight-line basis over the average period until the benefits become vested. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

Defined benefit costs are categorised as service cost and remeasurement. The Group recognises service costs within profit or loss 'Administrative expenses'.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation. The Group does not hold assets that are legally separated and exist solely to pay or fund employee benefits.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax laws and tax rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current

tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash and bank balances that are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

Income tax provision at joint venture level

The current tax provision of the Group's joint venture relates to management's judgement of the amount of tax payable on open tax computations where liabilities remain to be agreed with the Inland Revenue Authority of Singapore ("IRAS"). The Group evaluates uncertain tax items, where a tax item is subject to interpretation and remains to be agreed. This relates to the interpretation of tax legislation regarding Mergers and Acquisitions Allowance. Provisions established for uncertain items are made using a best estimate of the tax expected to be paid, based on a qualitative assessment of all relevant information.

In assessing any appropriate provision requirements for uncertain tax items, the Group considers progress made in correspondences with IRAS and discussions with the Group's tax agent. Due to the uncertainty associated with such tax items, it is possible that at a future date, on conclusion of the open matters, the final outcome may vary significantly. The potential additional tax expense arising from the matter is US\$360,000. As this relates to the tax position of the Group's joint venture, the potential impact to the consolidated financial statements would be a decrease in share of profit of joint ventures of US\$216,000. Details of the carrying amounts of the investment in joint ventures is disclosed in Note 13 to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Allowance for impairment loss on trade and other receivables

Management monitors and assesses the Group's expected credit losses (ECL), and where required, adjusts the level of impairment allowance. In respect of the Group's aged trade and other receivables, there is a risk that the receivables may not be recoverable and the allowance for doubtful receivables may not be adequate or reasonable at the reporting date, especially where the debts are aged or overdue for more than 60 days. The determination of ECL requires the use of significant amount of estimates by management based on the general market conditions and profiles of the individual customers by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

If there is objective evidence that a loss allowance on aged trade and other receivables should be recognised, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognised in profit or loss. Where the loss subsequently reverses, the reversal is recognised in profit or loss. Details of the allowance for loss allowance on aged trade and other receivables are disclosed in Notes 6 and 7 to the financial statements respectively.

Allowance for inventories

Allowance for inventories are made based on management's best estimate of the net realizable value of inventories that are subject to obsolescence and review of the aging analysis at the end of each reporting period. Details of the amount of inventories (net of allowance for inventories) is disclosed in Note 9 to the financial statements.

Impairment assessment of investment in joint ventures

The Group follows the guidance of SFRS(I) 1-36 *Impairment of Assets* in assessing annually whether its investment in joint ventures has any indications of impairment. When there are indications, management would estimate the recoverable amount (higher of value in use and fair value less costs to sell) of the investment in joint venture. The value in use calculation requires the Group to estimate the future cash flows expected and an appropriate discount rate in order to calculate the present value of these cash flows.

Based on management's judgements and estimates, no impairment loss was recognised in the current year. Details of the carrying amounts of the investment in joint ventures is disclosed in Note 13 to the financial statements.

Purchase price allocation exercise resulting from the partial disposal of United Oil Company Pte Ltd

During 2019, the Company had disposed 40% of the issued share capital of United Oil Company Pte Ltd ("UOC"). In accordance with the terms and conditions set out in the share purchase agreement, management has determined the total consideration for the sale shares to be US\$35,862,000. The Company may receive additional contingent consideration of up to US\$10,000,000 if the final earnout contribution margin achieved by UOC and its subsidiaries is near to or exceeds US\$34,200,000, being the earnout contribution margin target during the earnout period from January 1, 2023 to December 31, 2023. During 2019, the fair value of the retained 60% interest in joint venture was provisionally determined as permitted under SFRS(I) 3 *Business Combinations*. The purchase price allocation ("PPA") to determine the fair value of the retained interest was subsequently completed during the financial year ended December 31, 2020. Details of the investment in joint venture and disposal of UOC and its subsidiaries are disclosed in Notes 13 and 31 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) **Categories of financial instruments**

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Financial assets				
Amortised cost	12,888	52,208	15,505	52,981
Fair value through profit or loss	25,000	-	25,000	-
Financial liabilities				
Amortised cost	2,865	6,443	736	4,209
Lease liabilities	78	113	78	113

(b) **Financial risk management policies and objectives**

The Group's operating activities expose it to a variety of financial risks: credit risk, interest rate risk, foreign currency risk and liquidity risk. The Group does not have formal risk management policies and guidelines, and generally adopts conservative strategies on its risk management and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables: Lifetime ECL Other receivables: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount ⁽ⁱ⁾ US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
Group							
<u>2020</u>							
Cash and bank balances	5	n.a	Performing	12m ECL	9,716	-	9,716
Trade receivables	6	n.a	(i)	Lifetime ECL	4	-	4
Other receivables (excluding prepayment and non-corporate tax receivable)	7	n.a	Performing	12m ECL	4,224	(1,056)	3,168
Financial assets at fair value through profit or loss	8	n.a	Performing	Lifetime ECL	25,000	-	25,000
<u>2019</u>							
Cash and bank balances	5	n.a	Performing	12m ECL	39,775	-	39,775
Trade receivables	6	n.a	(i)	Lifetime ECL	2	-	2
Other receivables (excluding prepayment and non-corporate tax receivable)	7	n.a	Performing	12m ECL	13,487	(1,056)	12,431

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount ⁽ⁱ⁾ US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
Company							
<u>2020</u>							
Cash and bank balances	5	n.a	Performing	12m ECL	9,529	-	9,529
Trade receivables	6	n.a	(i)	Lifetime ECL	-	-	-
Other receivables (excluding prepayment and non-corporate tax receivable)	7	n.a	Performing	12m ECL	8,050	(2,074)	5,976
Financial assets at fair value through profit or loss	8	n.a	Performing	Lifetime ECL	25,000	-	25,000
<u>2019</u>							
Cash and bank balances	5	n.a	Performing	12m ECL	39,656	-	39,656
Trade receivables	6	n.a	(i)	Lifetime ECL	-	-	-
Other receivables (excluding prepayment and non-corporate tax receivable)	7	n.a	Performing	12m ECL	14,381	(1,056)	13,325

- (i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using specific identification, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of specific identification. Notes 6 and 7 include further details on the loss allowance for these assets respectively.

As the Group does not hold any collateral, the maximum exposure to credit risk is the carrying amount of the related financial assets represented on the statement of financial position.

Trade and other receivables are monitored on an ongoing basis and whether the receivables are recoverable are estimated by the Group's management based on prior experience and current economic environment. One key customer accounted for a significant portion of the Group's sales. Three debtors (2019 : Four debtors), accounted for approximately 90% (2019 : 97%) of total trade and other receivables as at December 31, 2020. The internal credit risk rating for all three debtors (2019 : Four debtors) are "Performing" (2019 : "Performing"). The Group only grants credit to creditworthy counterparties with adequate financial standing and appropriate credit history.

Cash and bank balances are placed with reputable banks and financial institutions which are regulated and is subject to immaterial credit loss.

Further details of credit risks on trade and other receivables are disclosed in Notes 6 and 7 respectively.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 8 best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.

(ii) Interest rate risk management

The Group's profit before tax and equity are not affected by the changes in interest rates as the interest-bearing instruments carry fixed interest and are measured at amortised cost.

(iii) Foreign currency risk management

The Group has currency exposures arising from revenue and expenses, and also currency exposure to funding that is denominated in non-functional currencies. The Group's foreign currency exposure is mainly from the exchange rate movements of the Singapore dollars and Indonesia Rupiah against the United States dollars, and the United States dollars against the Indonesian Rupiah. The Group does not use derivative financial instruments to hedge the exposure. Instead, management constantly monitors the fluctuations of foreign currency exchange rates so as to ensure that the Group's exposure to foreign currency risk is kept to a minimum.

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of each group entity at the end of the reporting period are as follows:

	<u>Group</u>			
	<u>Assets</u>		<u>Liabilities</u>	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore dollars	426	265	429	212
United States dollars	144	104	2,316	2,407

	<u>Company</u>			
	<u>Assets</u>		<u>Liabilities</u>	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore dollars	427	243	423	208

The following table shows the sensitivity of the Group's profit before tax to a reasonably possible change in the relevant currency against the functional currency of each group entity, with all other variables held constant.

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before tax				
- increase (decrease)				
Singapore dollars				
- strengthened by 5%	#	3	#	2
- weakened by 5%	#	(3)	#	(2)
United States dollars				
- strengthened by 5%	(109)	(115)	-	-
- weakened by 5%	109	115	-	-

#: Denotes less than US\$1,000.

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

(iv) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. In the management of its liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

Group	Weighted average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	Adjustment US\$'000	Total US\$'000
2020					
Non-interest bearing	-	12,888	-	-	12,888
Variable interest rate	0 to 4.0	25,000	-	-	25,000
Total		<u>37,888</u>	<u>-</u>	<u>-</u>	<u>37,888</u>

2019					
Non-interest bearing	-	13,682	-	-	13,682
Variable interest rate	1.85	39,239	-	(713)	38,526
Total		<u>52,921</u>	<u>-</u>	<u>(713)</u>	<u>52,208</u>

Non-derivative financial liabilities

The following table details the expected maturity for non-derivative liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned on those assets and liabilities except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset and liability on the statement of financial position.

Group	Weighted average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	Adjustment US\$'000	Total US\$'000
2020					
Non-interest bearing	-	2,865	-	-	2,865
Fixed interest rate	5.06	41	41	(4)	78
Total		<u>2,906</u>	<u>41</u>	<u>(4)</u>	<u>2,943</u>
2019					
Non-interest bearing	-	6,443	-	-	6,443
Fixed interest rate	5.06	40	81	(8)	113
Total		<u>6,483</u>	<u>81</u>	<u>(8)</u>	<u>6,556</u>

(v) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	at (US\$'000) December 31, 2020			
Financial assets at fair value through profit or loss (Note 8)				
Currency linked structured investment	10,000	Level 2	Future additional cash flows are estimated based on contracted interest rate should the USD/SGD exchange rates remain within the contracted upper and lower barrier rates during the contract period to maturity.	N/A
Currency linked structured investment	15,000	Level 2	Future additional cash flows are estimated based on contracted interest rate should the USD/INR and USD/TWD exchange rates remain within the contracted barrier rates during the contract period to maturity.	N/A

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or they are entered into near end of the financial year, except for lease liabilities disclosed in Note 14.

(c) **Capital management policies and objectives**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of equity attributable to the shareholders, comprising issued capital provided by shareholders and accumulated profits.

Management reviews the capital structure at least on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each type of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

For the year ended December 31, 2020, the Group is not subject to any externally imposed capital requirements.

The Group's overall strategy remains unchanged from prior year.

5 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances	9,716	1,249	9,529	1,130
Fixed deposits	-	38,526	-	38,526
	<u>9,716</u>	<u>39,775</u>	<u>9,529</u>	<u>39,656</u>

As at December 31, 2019, fixed deposits placed with banks bore interest at weighted effective interest rate of 1.85% per annum and maturity dates ranging from 30 to 60 days from the end of the reporting period.

6 TRADE RECEIVABLES

	Group	
	2020	2019
	US\$'000	US\$'000
Related parties (Note 29)	<u>4</u>	<u>2</u>

The credit period on revenue on sales of goods is 14 to 90 days (2019 : 14 to 90 days). No interest is charged on outstanding receivables. Loss allowance for trade receivables are estimated using specific identification by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change to the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The table below is an analysis of trade receivables as at December 31:

	Group	
	2020	2019
	US\$'000	US\$'000
Not past due nor impaired	<u>4</u>	<u>2</u>

Receivables that are neither past due nor impaired relate to customers that the Group has assessed to be creditworthy based on credit evaluation process performed by management.

Movement of impairment loss recognised on trade receivables:

	Group	
	2020	2019
	US\$'000	US\$'000
Balance at beginning of the year	-	100
Credit to profit or loss during the year	-	(47)
Amount written off during the year	-	(54)
Translation difference	-	1
Balance at end of the year	<u>-</u>	<u>-</u>

7 OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Advance due from subsidiaries ^(d)	-	-	6,338	8,358
Loan receivable ^(a)	2,462	3,000	-	-
Other receivables from third parties ^(b)	6	6,477	-	2,962
Other receivables from related parties ^(c)	1,748	4,010	1,705	3,061
Prepayments	54	65	54	60
Deposits	8	#	7	-
Non-corporate tax recoverable	290	290	-	-
	4,568	13,842	8,104	14,441
Less: Impairment loss recognised on other receivables	(1,056)	(1,056)	(2,074)	(1,056)
	3,512	12,786	6,030	13,385

#: Denotes less than US\$1,000.

- (a) The loan receivable is due from a joint venture company, M-TechX United Pte Ltd. The loan is interest free, repayable in 2021 (current), and secured by personal guarantee of one of the shareholders of the joint venture's holding company.
- (b) At December 31, 2019, this included amounts due from third parties amounting to US\$3,502,000 for which some are secured by deposit of original land title deeds and residential property of one of the shareholders of the joint venture company. During the year in 2020, there were payments received totalling US\$600,000. As no further payments were received from the customer for the remaining receivables since May 2020, the Group has issued a letter of termination of the sales agreement to the customer in January 2021. As the non-receipt from the customer and the issuance of the letter of termination subsequent to year end indicated that the conditions existed as at December 31 2020. The Group therefore has decided to recover the long overdue receivable against the remaining inventories held at third party premises and has accounted the unpaid receivables of US\$2,902,000 as inventories (Note 9).
- (c) Included amounts due from joint venture company, United Fuels Alliance Pte Ltd, for which an impairment loss of US\$1,056,000 was recognised and the remaining outstanding is unsecured, interest-free and repayable on demand.
- (d) Included amounts due from subsidiary, United Fuels Company Pte Ltd, for which an impairment loss of US\$1,018,000 was recognised and the remaining advances are unsecured, interest-free and repayable on demand.

For purpose of impairment assessment, the other receivables are considered to have low credit risk as the Company is able to exert its influence over the timing of repayment and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Movement of impairment loss recognised on other receivables:

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at beginning of the year	1,056	-	1,056	-
Charge to profit or loss during the year	-	1,056	1,018	1,056
Balance at end of the year	1,056	1,056	2,074	1,056

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2020	2019
	US\$'000	US\$'000
Financial assets measured at FVTPL	25,000	-

The Group has invested in a currency linked principal protected structured investment which pegged its investment return based on the exchange rate movement during the investment period.

As at the end of the reporting period, the outstanding contracts has a total notional principal value of US\$25,000,000 with interest rates ranging from 0% to 4.0% per annum and maturity period ranging from 6 to 12 months.

9 INVENTORIES

	Group	
	2020	2019
	US\$'000	US\$'000
At cost:		
Raw materials	45	159
Finished products ^(a)	2,000	26
	2,045	185

The cost of inventories recognised as expense and included in profit or loss amounted to US\$1,068,000 (2019 : US\$79,813,000).

^(a) Included is a net amount of inventories of US\$1,884,000 which was as a result of accounting for the unpaid receivables of US\$2,902,000 (Note 7) as inventories and a write down of the inventories of US\$1,018,000.

During 2019, the Group entered into sales transactions with a third party and as at December 31, 2019, the Group has amount outstanding from this customer of US\$3,502,000. During 2020, subsequent to payments received from this customer, the Group has amount outstanding from this customer of US\$2,902,000 (Note 7).

As no further payments were received from the customer for the remaining receivables since May 2020, the Group has accounted the unpaid receivables of US\$2,902,000 as inventories as at December 31, 2020. Based on management's best estimate of the net realisable value of these inventories, a write down of inventories of US\$1,018,000 was recognised as an expense as included in the line item "Other expenses" in the statement of profit or loss and other comprehensive income. After the write down, the carrying amount of inventories as at December 31, 2020 amounted to US\$1,884,000 as included in "Finished products" above.

10 PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold properties US\$'000	Machinery and equipment US\$'000	Motor vehicles US\$'000	Office equipment US\$'000	Renovation US\$'000	Construction in progress US\$'000	Right-of-use assets - Motor vehicles US\$'000	Total US\$'000
Cost:								
At January 1, 2019	6,855	5,489	1,560	433	420	13	298	15,068
Additions	3	142	48	34	18	1	-	246
Disposals	(16)	(104)	(329)	(36)	-	-	-	(485)
Disposal of subsidiaries (Note 31)	(6,986)	(2,729)	(840)	(358)	(438)	-	-	(11,351)
Written-off	-	-	-	-	-	(12)	-	(12)
Reclassification	-	-	-	2	-	(2)	-	-
Exchange differences	144	135	25	6	-	-	-	310
At December 31, 2019	-	2,933	464	81	-	-	298	3,776
Additions	-	11	-	-	-	-	-	11
Exchange differences	-	(38)	-	(1)	-	-	-	(39)
At December 31, 2020	-	2,906	464	80	-	-	298	3,748

	Leasehold properties	Machinery and equipment	Motor vehicles	Office equipment	Renovation	Construction in progress	Right-of-use assets - Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Accumulated depreciation:								
At January 1, 2019	1,886	1,557	864	233	173	-	27	4,740
Depreciation	238	551	104	36	35	-	24	988
Disposals	(8)	(26)	(210)	(9)	-	-	-	(253)
Disposal of subsidiaries (Note 31)	(2,152)	(1,567)	(419)	(248)	(208)	-	-	(4,594)
Exchange differences	36	23	12	2	-	-	-	73
At December 31, 2019	-	538	351	14	-	-	51	954
Depreciation	-	350	19	10	-	-	25	404
Exchange differences	-	9	-	-	-	-	-	9
At December 31, 2020	-	897	370	24	-	-	76	1,367
Carrying amount:								
At December 31, 2020	-	2,009	94	56	-	-	222	2,381
At December 31, 2019	-	2,395	113	67	-	-	247	2,822

#: Denotes less than US\$1,000.

Motor vehicles with carrying amount of US\$222,000 (2019 : US\$247,000) are secured under lease arrangements (Note 14) and has been classified as right-of-use assets - motor vehicles within property, plant and equipment.

Motor vehicles with carrying amount of US\$316,000 (2019 : US\$360,000) are registered and held in the names of directors, in trust for the Group.

<u>Company</u>	Motor vehicles US\$'000	Right-of-use assets - Motor vehicles US\$'000	Total US\$'000
Cost:			
At January 1, 2019	-	298	298
Additions	124	-	124
At December 31, 2019 and December 31, 2020	124	298	422
Accumulated depreciation:			
At January 1, 2019	-	27	27
Depreciation	11	24	35
At December 31, 2019	11	51	62
Depreciation	19	25	44
At December 31, 2020	30	76	106
Carrying amount:			
At December 31, 2020	94	222	316
At December 31, 2019	113	247	360

11 INVESTMENT PROPERTIES

<u>Group</u>	Leasehold land US\$'000	Office commercial buildings US\$'000	Total US\$'000
Cost:			
At January 1, 2019	641	1,422	2,063
Disposals	(656)	(308)	(964)
Disposal of subsidiaries (Note 31)	-	(1,151)	(1,151)
Exchange differences	15	37	52
At December 31, 2019 and December 31, 2020	-	-	-
Accumulated depreciation:			
At January 1, 2019	28	180	208
Depreciation	4	57	61
Disposals	(33)	(40)	(73)
Disposal of subsidiaries (Note 31)	-	(201)	(201)
Exchange differences	1	4	5
At December 31, 2019 and December 31, 2020	-	-	-
Carrying amount:			
At December 31, 2019 and December 31, 2020	-	-	-

Investment properties comprise offices and commercial properties that are leased to external and related parties. Generally, each of the leases is fixed for a period up to 5 years, and subsequent renewals are negotiated at prevailing market rates and terms.

In 2019, the property rental income from the Group's investment properties which are leased out under operating leases, amounted to US\$243,000. Direct operating expenses arising from the rental-generating investment properties amounted to US\$61,000.

12 INTANGIBLE ASSETS

	Club membership	Customer relationships	Total
	US\$'000	US\$'000	US\$'000
<u>Group</u>			
Cost:			
At January 1, 2019	75	735	810
Disposal of subsidiaries (Note 31)	(75)	(735)	(810)
At December 31, 2019 and December 31, 2020	-	-	-
Accumulated amortisation:			
At January 1, 2019	-	157	157
Additions	-	96	96
Disposal of subsidiaries (Note 31)	-	(253)	(253)
At December 31, 2019 and December 31, 2020	-	-	-
Carrying amount:			
At December 31, 2019 and December 31, 2020	-	-	-

The Group carried out review of the recoverable amount of its club membership at the end of each reporting period. The recoverable amount has been determined on the basis of the fair value (market price at the end of the reporting period) of the club membership, net of the costs of disposal. The customer relationships have finite useful lives, and are amortised on a straight-line basis over their estimated useful lives of 7 years.

13 INVESTMENT IN JOINT VENTURES

	Group	
	2020 US\$'000	2019 US\$'000 (Restated)
Cost of investment in joint ventures	54,522	54,522
Share of post-acquisition profit and other comprehensive income, net dividend received	5,481	226
	60,003	54,748

Details of the Group's joint ventures at the end of the reporting period are as follow:

<u>Name of joint ventures</u>	<u>Principal activity</u>	<u>Country of incorporation and operation</u>	<u>Proportion of effective ownership interest and voting power held</u>	
			2020 %	2019 %
United Oil Company Pte. Ltd. ⁽¹⁾⁽⁴⁾	Manufacturing and distribution of petroleum and oil-based products	Singapore	60	60
PT Pacific Lubritama Indonesia ("PLI") ⁽²⁾	Manufacturing and process of base oils, additives and lubricants	Indonesia	57	57
Ichiro Corporation Co. Ltd ⁽³⁾⁽⁴⁾	Manufacturing and distribution of petroleum and oil-based products	Japan	60	60
M-TechX United Pte Ltd ⁽¹⁾	Manufacturing and distributing nano-fibre products	Singapore	40	40
United Fuels Alliance Pte Ltd ⁽¹⁾	Trading of fuels and related products	Singapore	45	45
Latitude United Shipping Pte Ltd ⁽³⁾	Chartering of ships, barges and boats with crew (freight)	Singapore	45	-

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by overseas practice of Deloitte Touche Tohmatsu Limited and voting power held is 47.5%.

(3) Not audited as the investment is insignificant during the year.

(4) Voting power held is 50%.

The above joint ventures are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 2.

Summarised financial information in respect of the Group's material joint venture on a 100% basis is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I)s.

United Oil Company Pte. Ltd. and its subsidiaries ("UOC group")

As at 31 December 2019, the fair value of the retained 60% interest in UOC group was determined on a provisional basis as the purchase price allocation ("PPA") exercise had not been finalised. With the completion of the PPA in the current financial year as permitted under SFRS(I) 3 *Business Combinations*, the accounting for the investment in UOC group was also subsequently completed and therefore, the comparative figures in the financial statements have been restated to reflect the adjusted fair values of identifiable assets acquired and liabilities assumed on acquisition of UOC group. Details of the restatement are included in Note 31 to the financial statements.

	2020 US\$'000	2019 US\$'000 (Restated)
Current assets	47,147	32,524
Non-current assets	34,108	35,840
Current liabilities	(15,430)	(11,374)
Non-current liabilities	(7,845)	(7,886)

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	16,844	9,146
Current financial liabilities (excluding trade and other payables and provisions)	(2,130)	(2,599)
Non-current financial liabilities (excluding trade and other payables and provisions)	(2,797)	(2,827)

Revenue	89,664	109,604
Profit for the year	10,988	9,921
Depreciation and amortisation arising from purchase price allocation exercise, net of tax	(1,870)	-
Other comprehensive (loss) income for the year	(242)	787
Total comprehensive income for the year	8,876	10,708
Dividends received from the joint venture during the year	-	10,000

The above profit for the year include the following:

Depreciation and amortisation	(913)	(1,060)
Interest income	222	72
Interest expense	(227)	(370)
Income tax expense	(2,455)	(1,903)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in these consolidated financial statements:

	2020	2019
	US\$'000	US\$'000 (Restated)
Net assets of UOC group	57,980	49,104
NCI's share of PLI	(1,176)	(1,047)
Net assets of UOC group (excluding NCI share of PLI)	56,804	48,057
Proportion of the Group's ownership interest in UOC group	60%	60%
Group's share of net assets of UOC group	34,082	28,834
Goodwill	25,914	25,914
Carrying amount of the Group's interest in UOC group	<u>59,996</u>	<u>54,748</u>

Summarised of aggregate information of joint ventures that are not individually material are set out below:

	2020	2019
	US\$'000	US\$'000
The Group's share of profit (loss)	7	(284)
The Group's share of total comprehensive income (loss)	7	(284)
Aggregate carrying amount of the Group's interests in these joint ventures	<u>7</u>	<u>-</u>

Unrecognised share of losses of a joint venture:

	2020	2019
	US\$'000	US\$'000
The unrecognised share of loss of a joint venture for the year	<u>4</u>	<u>336</u>
Cumulative share of loss of a joint venture	<u>340</u>	<u>336</u>

14 LEASES LIABILITIES

	Group and Company	
	2020	2019
	US\$'000	US\$'000
Maturity analysis:		
Year 1	41	40
Year 2	41	40
Year 3	-	41
	<u>82</u>	<u>121</u>
Less: Unearned interest	(4)	(8)
	<u>78</u>	<u>113</u>
Analysed as:		
Current	38	36
Non-current	40	77
	<u>78</u>	<u>113</u>

The Group and Company has secured lease arrangements for motor vehicles (Note 10). These leases have no terms of renewal, purchase options and escalation clauses.

For the year ended December 31, 2020, the average effective borrowing rates for the Group and Company were 5.06% per annum (2019 : 5.06%). The lease arrangements mature on 2022.

The fair value of the Group's and Company's lease obligations approximates their carrying amount.

The Group's and Company's obligation under the lease arrangements are secured by the lessors' title to the leased assets.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2020 US\$'000	Financing cash flows (i) US\$'000	Non-cash changes		December 31, 2020 US\$'000
			Disposal of subsidiaries US\$'000	Foreign exchange US\$'000	
Lease liabilities (Note 14)	113	(35)	-	-	78

	January 1, 2019 US\$'000	Financing cash flows (i) US\$'000	Non-cash changes		December 31, 2019 US\$'000
			Disposal of subsidiaries US\$'000	Foreign exchange US\$'000	
Bank borrowings	7,145	(6,183)	(964)	2	-
Lease liabilities (Note 14)	148	(36)	-	1	113
	7,293	(6,219)	(964)	3	113

(i) The cash flows make up the repayments of lease liabilities in the statement of cash flows.

15 TRADE PAYABLES

	Group	
	2020 US\$'000	2019 US\$'000
Third parties	-	6

The credit period granted by third parties are 30 to 60 days (2019 : 30 to 60 days).

16 OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Accruals	522	3,959	518	3,956
Amount due to subsidiaries	-	-	195	185
Amount due to a related party ⁽¹⁾	2,316	2,407	-	-
Other payables	27	71	23	68
	<u>2,865</u>	<u>6,437</u>	<u>736</u>	<u>4,209</u>

⁽¹⁾ Included an amount due to joint venture, M-TechX United Pte Ltd of US\$2,316,000 (2019 : US\$2,407,000).

17 RETIREMENT BENEFITS OBLIGATIONS

The amount of employees' benefits is calculated based on the prevailing regulation of Indonesia, i.e. the Minister of Manpower's Decree No. Kep-150/Men/2000 superseded by Law No. 13 of 2003 dated March 25, 2003. The basic change in the new law is the additional severance payment and gratuity for the service period. No special allowance was made for such post-employment benefits. The estimated liabilities for employees' benefits were calculated using the following assumptions:

	Group	
	2020	2019
Pension age	-	55 years
Salary increment rate	-	10% per annum
Discount rate	-	7% per year
Working period	Assumed that all employees work until retirement age	

Actuarial gains and losses are recorded in pension reserves with a charge or credit recognised in other comprehensive income in the period in which they occur.

Changes in the present value of the defined benefit obligations are as follows:

	Group	
	2020	2019
	US\$'000	US\$'000
Retirement benefits obligations at beginning of the year	-	476
Disposal of subsidiaries (Note 31)	-	(527)
Service cost charged for the year	-	97
Expected benefit payment	-	(39)
Actuarial gains during the year	-	(14)
Translation difference	-	7
Retirement benefits obligations at end of the year	<u>-</u>	<u>-</u>

18 DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the Group and the Company, and the movements thereon, during the current and prior reporting periods:

	Unremitted earnings	Accelerated tax depreciation	Fair valuation of intangible assets	Unutilised tax benefits	Retirement benefits obligations	Provision and others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Group</u>	0			0		0	
At January 1, 2019	112	249	140	(155)	(119)	(1)	226
Disposal of subsidiaries (Note 31)	(170)	(235)	(117)	252	131	51	(88)
Charged (Credited) to profit or loss	58	(20)	(23)	(97)	(9)	(50)	(141)
Translation difference	-	#	-	-	(3)	-	(3)
At December 31, 2019	-	(6)	-	-	-	-	(6)
Charged to profit or loss	-	6	-	-	-	-	6
At December 31, 2020	-	-	-	-	-	-	-
<u>Company</u>							
At January 1, 2019	-	-	-	-	-	6	6
Credited to profit or loss	-	-	-	-	-	(6)	(6)
At December 31, 2019 and 2020	-	-	-	-	-	-	-

#: Denotes less than US\$1,000.

Certain deferred tax assets and liabilities have been offset in accordance with the Group's and the Company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group		Company	
	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred tax liabilities	-	-	-	-
Deferred tax assets	-	(6)	-	-
	-	(6)	-	-

At the end of the reporting period, the Group has unutilised tax losses of US\$5.4 million (2019 : \$3.7 million) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

Temporary differences arising in connection with interests in joint ventures are insignificant.

19 SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	US\$'000
Issued and paid up: At December 31, 2019 and December 31, 2020	316,211,360	21,425

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

20 MERGER RESERVE

Merger reserve represents the difference between the amount of the share capital of the subsidiary at the date on which they are acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition using the principles of merger accounting applicable to business combinations under common control.

21 DIVIDENDS

	Group and Company	
	2020	2019
	US\$'000	US\$'000
Paid final tax exempt (one-tier) dividend 3.2 Singapore cents (2018 : 0.5 Singapore cents) per ordinary share in respect of the financial year ended December 31, 2019 (2018)	7,137	1,162

Subsequent to the end of the reporting period, the directors of the Company proposed a final tax exempt (one-tier) ordinary dividend of 1.0 Singapore cent per ordinary share amounting to approximately US\$2,400,000 for the year ended December 31, 2020. The dividends are not accrued as a liability for the current financial year in accordance with SFRS(I) 1-10 *Events After the Reporting Period*.

22 INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	US\$'000	US\$'000
Unquoted equity shares, at cost	430	420
Less: Impairment loss	(420)	-
	10	420

Management carried out a review of the investments in subsidiaries having regard to the existing performance of the subsidiaries that had indicators of impairment. This review led to an accumulated impairment loss of US\$420,000 at the end of the reporting period.

Details of the Group's subsidiaries at the end of the reporting period are as follows:

<u>Name of Subsidiaries</u>	<u>Principal activity</u>	<u>Country of incorporation and operation</u>	<u>Proportion of effective ownership interest and voting power held</u>	
			2020	2019
			%	%
United Innovations Company Pte Ltd ^(a)	Investment holding	Singapore	100	100
United Fuels Company Pte Ltd ^(a)	Investment holding	Singapore	100	100
United Renewables Company Pte Ltd ^(a)	Investment holding	Singapore	100	100
PT TechX Innovations Indonesia ^(b)	Manufacture and trade in nano-fibres oil absorbent	Indonesia	99.6	99.6
UR Estate Pty Ltd ^(b)	Investment holding and principally engaged in tyre recycling business	Australia	100	100
United Supply Chain Pte Ltd ^{(b)(c)}	Investment holding	Singapore	100	-

Notes:

- (a) Audited by Deloitte & Touche LLP, Singapore.
- (b) Not audited as subsidiary is not considered material.
- (c) Incorporated during the financial year in 2020.

23 REVENUE

	Group	
	2020	2019
	US\$'000	US\$'000
Manufacturing	175	83,380
Trading	-	19,091
Sale of goods – At a point in time	175	102,471

24 OTHER INCOME

	Group	
	2020	2019
	US\$'000	US\$'000 (Restated)
Interest income	294	84
Government grants	58	397
Gain on disposal of joint ventures	-	13
Gain on de-consolidation of subsidiaries (Note 31)	-	24,803
Gain on re-measurement of remaining stake in a joint venture (Note 31)	-	37,705
Management fee income	600	50
Rental income (Note 11)	-	243
Income from secondment	222	-
Others	-	33
	<u>1,174</u>	<u>63,328</u>

In 2020, the Group received wage support for local employees under the Jobs Support Scheme (“JSS”) from the Singapore Government as part of the Government’s measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income relating to JSS of US\$42,000 was recognised during the year.

25 OTHER EXPENSES

Other expenses comprise of mainly write down of inventories recognised as an expense (Note 9) (2019 : depreciation of investment properties (Note 11)).

26 FINANCE COSTS

	Group	
	2020	2019
	US\$'000	US\$'000
Interest on hire purchases	5	7
Interest on term loans and revolving credits	-	46
Interest on bills payables and trust receipts	-	135
	<u>5</u>	<u>188</u>

27 PROFIT BEFORE TAX

Other than those disclosed elsewhere in these consolidated financial statements, this has been determined after charging (crediting) the following items:

	Group	
	2020	2019
	US\$'000	US\$'000
Employee benefits expense (including directors' remuneration):		
Defined contribution plans	22	192
Director fee	155	197
Salaries and bonus	315	4,605
Other employee benefits	34	250
Directors' remuneration	1,055	4,890
Post-employment benefits	-	97
Total employee benefits expense	<u>1,581</u>	<u>10,231</u>
Reversal of impairment loss recognised on trade receivable	-	(47)
Impairment loss recognised on other receivable	-	1,056
Bad debts (recovered) written off	(17)	96
Audit fee paid to auditors of the Group ^(a)	8	100
Non-audit fee paid to auditors of the Group ^(a)	6	63
Property, plant and equipment written off	-	12
Loss on disposal of plant and equipment	-	6
Loss on disposal of investment properties	-	12
Foreign exchange loss (gain), net	91	(235)
Depreciation of property, plant and equipment	404	988
Depreciation of investment properties	-	61
Amortisation of intangible assets	-	96
Write down of inventories recognised as an expense	<u>1,018</u>	<u>-</u>

^(a) This amount does not include audit fees and non-audit fees paid for joint ventures of the Group of US\$105,000 and US\$18,000 respectively.

28 INCOME TAX EXPENSE

	Group	
	2020 US\$'000	2019 US\$'000
Current tax	(5)	1,890
Over provision of current tax in prior years	-	(40)
Deferred tax	6	(136)
Over provision of deferred tax in prior years	-	(5)
Total tax expense	1	1,709

Domestic income tax is calculated at 17% (2019 : 17%) of the estimated assessable income for the year.

	Group	
	2020 US\$'000	2019 US\$'000 (Restated)
Profit before tax	3,241	68,754
Income tax expense calculated at 17%	551	11,688
Over provision of current tax in prior years	-	(40)
Non-deductible expenses	89	363
Non-taxable income	-	(10,805)
Tax effect of results of joint venture presented net of tax	(917)	-
Tax incentive	-	(64)
Tax exemption	-	(20)
Unused investment tax credit	-	(178)
Over provision of deferred tax in prior years	-	(5)
Tax effect of utilisation of tax losses not previously recognised	(5)	-
Effect of unused tax losses not recognised as deferred tax assets	305	562
Effect of different tax rates of subsidiaries operating in other jurisdictions	(22)	148
Others	-	60
Total	1	1,709

29 RELATED PARTY TRANSACTIONS

Some of the arrangements are with related parties and the effects of these bases determined between the parties are reflected in these financial statements. During the years, the Group has transactions with related parties on terms agreed between the parties as follows:

	2020 US\$'000	2019 US\$'000
<u>Transactions with joint ventures:</u>		
Management fee income	600	50
Income from secondment	222	-
Sales of goods	167	-
Purchases of goods, services and rental cost	(37)	-
	<u>(37)</u>	<u>-</u>
 <u>Transactions with companies in which directors have significant influence over:</u>		
Sales of goods, services and rental income	4	82
Purchases of goods, services and rental cost	-	(148)
Professional fee paid/payable to affiliates of an independent director	(12)	(132)
	<u>(12)</u>	<u>(132)</u>
 <u>Joint venture's transactions with members of the same group with shareholder of the joint venture other than the Company:</u>		
Sales of goods, services and rental income	339	-
Purchases of goods, services and rental cost	(93)	-
	<u>(93)</u>	<u>-</u>
 <u>Joint venture's transactions with companies in which directors have significant influence over:</u>		
Sales of goods, services and rental income	37	-
Purchases of goods, services and rental cost	(113)	-
Professional fee paid/payable to affiliates of an independent director	(29)	-
	<u>(29)</u>	<u>-</u>

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial years were as follows:

	2020	2019
	US\$'000	US\$'000
Short term benefits	1,445	6,492
Post-employment benefits	35	113
Total	<u>1,480</u>	<u>6,605</u>

30 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	2020	2019
	US\$'000	US\$'000 (Restated)
<u>Earnings</u>		
Earnings for the purposes of basic earnings per share (profit for the year attributable to owners of the Company)	<u>3,241</u>	<u>66,963</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>316,211,000</u>	<u>316,211,000</u>
Earnings per share, US\$ (cents) - basic	<u>1.0</u>	<u>21.2</u>

There were no dilutive potential ordinary shares outstanding for 2020 and 2019.

31 DISPOSAL OF SUBSIDIARIES

In 2019, the Group disposed 40% of the issued share capital of United Oil Company Pte. Ltd. ("UOC") for a total consideration of US\$35,862,000. The purchase consideration was satisfied fully by cash consideration.

There is a contingent consideration with payment of up to US\$10,000,000, if the UOC group (UOC together with its subsidiaries, PT Pacific Lubritama Indonesia and Ichiro Corporation Co., Ltd), achieves a contribution margin near to or exceeding US\$34,200,000 for the financial period between January 1, 2023 to December 31, 2023.

As at completion of disposal on November 30, 2019, UOC group ceased to be a subsidiary and is considered a joint venture of the Group in accordance with SFRS (I) 11 *Joint Arrangements*.

As disclosed in Note 13, as at 31 December 2019, the fair value of the retained 60% interest in joint venture was determined on a provisional basis as the PPA exercise had not been finalised. With the completion of the PPA in the current financial year as permitted under SFRS(I) 3 *Business Combinations*, the accounting for the investment in joint venture was also subsequently completed and therefore, the comparative figures in the financial statements have been restated to reflect the adjusted fair value of retained interest, including the adjusted fair values of identifiable assets acquired and liabilities assumed on acquisition of UOC group and the adjusted aggregate gain of disposal. Consequently the comparative figures and disclosures have been adjusted retrospectively. As a result, certain line items have been amended in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and the related notes to the financial statements.

The effect of the adjustment resulted in an increase in investment in joint venture and retained earnings as follows:

	As previously reported	Adjustment	As restated
	US\$'000	US\$'000	US\$'000
2019			
Consolidated statement of financial position			
Investment in joint ventures	54,248	500	54,748
Retained earnings	84,830	500	85,330
Consolidated statement of profit or loss and other comprehensive income			
Other income	62,828	500	63,328
Profit for the year	66,545	500	67,045

	Provisional amount as previously reported	Adjustment	As restated
	US\$'000	US\$'000	US\$'000
2019			
Note 13 - Investment in joint venture			
Net assets of UOC group (excluding NCI share of PLI) ^(a)	27,532	20,525	48,057
Group's share of net assets of UOC group	16,519	12,315	28,834
Goodwill ^(a)	37,729	(11,815)	25,914
Carrying amount of the Group's interest in UOC group	<u>54,248</u>	<u>500</u>	<u>54,748</u>

(a) Increase in net assets of UOC group (excluding NCI share of PLI) of US\$20,525,000 from US\$27,532,000 to US\$48,057,000 (Note 13) which is embedded in the carrying amount of investment in joint venture. The increase of US\$20,525,000 was as a result of additional intangible assets of US\$21,866,000, fair value adjustments of US\$2,892,000 and additional deferred tax liabilities of US\$4,233,000. As a result of the increase in fair values of the net assets identified, there is a corresponding decrease in goodwill of US\$11,815,000 from US\$37,729,000 to US\$25,914,000 (Note 13) which is embedded in the carrying amount of investment in joint venture. Goodwill represents the excess of the consideration transferred over the fair value of the net assets of UOC group at acquisition date.

	Provisional amount as previously reported	Adjustment	As restated
	US\$'000	US\$'000	US\$'000
2019			
Note 31 - Disposal of subsidiaries			
Fair value of retained interest	53,792	500	54,292
Gain on disposal	62,008	500	62,508
Gain on re-measurement of remaining stake in a joint venture (Note 24)	<u>37,205</u>	<u>500</u>	<u>37,705</u>

Assets disposed and liabilities discharged at the date of disposal

2019
US\$'000

Current assets

Cash and cash equivalents	8,154
Restricted cash	1,485
Trade receivables	13,028
Other receivables	255
Inventories	6,391
Tax recoverable	554

Non-current assets

Property, plant and equipment	6,757
Investment properties	950
Intangible assets	557
Deferred tax assets	199

Current liabilities

Bank borrowings	(964)
Trade payables	(4,997)
Other payables	(2,436)
Current tax payable	(1,332)

Non-current liabilities

Retirement benefit obligations	(527)
Deferred tax liabilities	(287)
Net assets disposed and liabilities discharged	<u>27,787</u>

	2019 US\$'000 (Restated)
Total consideration	35,862
Net assets derecognised	(27,787)
Non-controlling interests derecognised	1,013
Fair value of retained interest	54,292
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(872)
Gain on disposal	<u>62,508</u>

Aggregate of gain on disposal

Gain on de-consolidation of subsidiaries (Note 24)	24,803
Gain on re-measurement of remaining stake in a joint venture (Note 24)	37,705
Gain on disposal	<u>62,508</u>

Net cash inflow on disposal of subsidiaries

	2019 US\$'000
Total consideration	35,862
Less: Cash and cash equivalent balances disposed	(8,154)
Less: Final consideration to be received	(2,962)
Net cash inflow on disposal of subsidiaries	<u>24,746</u>

During the year in 2020, the final consideration of US\$2,962,000 was received and reflected in the statement of cash flows.

In addition, the results of the UOC group for the period from January 1, 2019 to the date of disposal is as follows:

	2019 US\$'000
Revenue	102,460
Cost of sales	(82,520)
Other income	750
Distribution cost	(2,330)
Administrative expenses	(6,964)
Other expenses	(61)
Share of loss of joint ventures	(4)
Finance costs	(181)
Profit before tax	11,150
Income tax expense	(1,729)
Profit for the year	<u>9,421</u>
Profit attributable to:	
Equity holders of the UOC group	9,338
Non-controlling interests	83
	<u>9,421</u>

32 SEGMENT INFORMATION

The Group determines its reportable segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products and services, based on which information is prepared and reported to the Group's CODM for the purposes of resource allocation and assessment of performance.

For management purposes, the Group is organised into the following reportable operating segments as follows:

- (a) Manufacturing
 - (b) Trading
-
- (a) Manufacturing refers to the manufacturing of lubricant products for the Group's in-house brands and products of Original Equipment Manufacturers ("OEM").
 - (b) Trading refers to trading of base oils, additives and finished products, by buying from the Group's suppliers and selling them to the Group's customers who may require such products.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2 to the consolidated financial statements. Segment performance is evaluated by the CODM based on the segment results which represent the gross profit earned by each segment.

Certain expenses, other income and income taxes are managed on a Group basis and are not allocated to operating segments.

The allocation of costs cannot be done in a similar manner with reasonable accuracy as Group costs are general in nature and are pooled to serve all our customers. These costs comprise distribution expenses, administrative expenses and finance costs. As CODM does not track the allocation of cost of sales and operating costs by geographical regions, any attempt to match these expenses to revenue in the various geographical regions is therefore not meaningful. Inter-segment transfers are eliminated on consolidation.

Based on the management reporting to CODM, the segment assets and liabilities are not regularly provided for their review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information. Segment information about the Group's reportable segment is presented on the next page.

Segment revenues and results

The following is an analysis of the Group's revenue and results by segment:

	Manufacturing	Trading	Total
	2020	2020	2020
	US\$'000	US\$'000	US\$'000
Total revenue	175	-	175
Gross profit	(264)	-	(264)
Share of profit of joint ventures			
- UOC group	5,385	-	5,385
- Others	-	7	7
	5,385	7	5,392
Segment results	5,121	7	5,128
Bad debts recovered			17
Depreciation of plant and equipment (excluding machinery)			(29)
Write down of inventories recognised as an expense			(1,018)
Interest income			294
Finance costs			(5)
Other unallocated expenses			(1,146)
Profit before tax			3,241
Income tax expense			(1)
Profit for the year			3,240

	Manufacturing 2019 US\$'000	Trading 2019 US\$'000	Total 2019 US\$'000 (Restated)
Total revenue	83,380	19,091	102,471
Gross profit	19,278	425	19,703
Share of profit of joint ventures			
- UOC group	288	-	288
- Others	(4)	(280)	(284)
Segment results	284	(280)	4
	19,562	145	19,707
Reversal of impairment loss recognised on trade receivable			47
Impairment loss recognised on other receivable			(1,056)
Amortisation of intangible assets			(96)
Bad debts written off			(96)
Depreciation of plant and equipment (excluding machinery)			(164)
Gain on disposal of subsidiaries			24,803
Gain on re-measurement of remaining stake in a joint venture			37,705
Interest income			84
Finance costs			(188)
Other unallocated expenses			(11,992)
Profit before tax			68,754
Income tax expense			(1,709)
Profit for the year			67,045

Geographical information

The Group operates in five principal geographical areas - Indonesia, Greater China (People's Republic of China, Hong Kong and Taiwan), Singapore (country of domicile), Malaysia and Myanmar.

The Group's revenue from external customers by geographical location are detailed below:

	2020	2019
	US\$'000	US\$'000
Based on location of customers		
Indonesia	17	24,976
Singapore	158	16,080
Other Asian countries	-	34,197
Greater China	-	7,653
Oceania countries	-	6,297
Malaysia	-	7,897
Myanmar	-	2,185
Others	-	3,186
	<u>175</u>	<u>102,471</u>

Information about major customers

In 2020, there was a single external customer (2019 : One) that had contributed more than 10 percent to the revenue of the Group.

33 CONTINGENT LIABILITIES

	2020	2019
	US\$'000	US\$'000
Guarantees given to banks in respect of bank facilities of joint ventures to the extent of the Group's interests	<u>15,546</u>	<u>41,877</u>

The amount disclosed represents the aggregate amount of the contingent liabilities for the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint ventures being more or less favourable than currently expected. The Group is not contingently liable for the liabilities of the other venturers in its joint ventures.

34 SUBSEQUENT EVENTS

Subsequent to year end, the Group's joint venture, Latitude United Shipping Pte Ltd has entered into a sales and purchase agreement to purchase 49% of the total share capital of PT Latitude Inti Mitra Abadi, incorporated in Indonesia for total consideration of US\$3,822,000.

APPENDIX 5

RELEVANT EXTRACTS FROM THE CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 14 Tuas Drive 2 Singapore 638647 during normal business hours for the period during which the Offer remains open for acceptance.

RIGHTS IN RESPECT OF CAPITAL

Issue of new shares	4. Subject to the Act and this Constitution, no shares may be issued by the Directors without the shares prior sanction of an ordinary resolution of the Company in general meeting pursuant to Section 161 of the Act but subject thereto and to Regulation 47, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (or, where permitted under the Act and the listing rules of the Exchange, for no consideration) and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.
Rights attached to certain shares	5.(1) Preference shares may be issued subject to such limitations thereof as may be prescribed by the Exchange upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in this Constitution. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. (2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
Treasury shares	6. The Company shall not exercise any rights (including the right to attend and vote at general meetings) in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

VARIATION OF RIGHTS

Variation of rights	7.(1) If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the general meeting shall be as valid and effectual as a special resolution carried at the general meeting. The foregoing provisions of this Regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
Rights of preference shareholders	(2) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.
Creation or issue of further shares with special rights	8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

ALTERATION OF SHARE CAPITAL

Rights and privileges of new shares	47. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.
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<p>Issue of new shares to Members</p>	<p>48.(1) Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.</p> <p>(2) Notwithstanding Regulation 48(1) above but subject to the Act and the byelaws and listing rules of the Exchange, the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:</p> <ul style="list-style-type: none"> (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or (ii) make or grant Instruments; and/or (iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force; <p>provided that:</p> <ul style="list-style-type: none"> (a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits and complies with the manner of calculation prescribed by the Exchange; (b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the Exchange) and the Constitution; and (c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the next Annual General Meeting following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest);
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	(3) Notwithstanding Regulation 48(1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.
New shares otherwise subject to provisions of Constitution	49. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
Power to consolidate, cancel and subdivide shares	50.(1) The Company may by ordinary resolution alter its share capital in the manner permitted under the Act including without limitation:- (i) consolidate and divide all or any of its shares; (ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Act; (iii) subdivide its shares or any of them (subject to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and (iv) subject to the provisions of this Constitution and the Act, convert any class of shares into any other class of shares.
Repurchase of Company's shares	(2) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the Relevant Laws), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.
Power to reduce capital	51. The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share

	<p>purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.</p>
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SHARES

Power to pay commission and brokerage	9. Unless otherwise specified or restricted by law, the Company may pay commissions or brokerage on any issue or purchase of its shares, or sale, disposal or transfer of treasury shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.
Power to charge interest on capital	10. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.
No trust recognised	11. Except as required by law, no person shall be recognised by the Company as holding recognised any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.
Fractional part of a share	12. No person shall be recognised by the Company as having title to a fractional part of a of a share otherwise than as the sole or a joint holder of the entirety of such share.
Payment of instalments	13. If by the conditions of allotment of any shares the whole or any part of the amount of the instalments issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

SHARE CERTIFICATES

Share certificates	14. The certificate of title to shares or debentures in the capital of the Company shall be issued certificates under the seal in such form as the Directors shall from time to time prescribe and may bear the
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	<p>autographic or facsimile signatures of at least two (2) Directors, or of one (1) Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, the amounts paid and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the auditors of the Company. No certificate shall be issued representing shares of more than one class.</p>
<p>Power to charge interest on capital</p>	<p>15.(1) The Company shall not be bound to register more than three (3) persons as the joint holders of any share except in the case of executors, trustees or administrators of the estate of a deceased Member.</p> <p>(2) If two (2) or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.</p> <p>(3) Only the person whose name stands first in the Register of Members as one (1) of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.</p>
<p>Entitlement to certificate</p>	<p>16.(1) Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) market days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the Member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the</p>

	aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
Retention of Certificate	(2) The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with Regulations 37, 40, 41, 45 and 46, <i>mutatis mutandis</i> .
New certificates may be issued	17.(1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and in case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.
New certificate in place of one not surrendered	(2) When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

CALL ON SHARES

Call on shares	29. The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. The joint holders of a share shall be jointly and severally liable to the payment of all calls and instalments in respect thereof
Time when made	30. A call shall be deemed to have been made at the time when the resolution of the made Directors authorising the call was passed and may be made payable by instalments.
Interest on calls	31. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is

	due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight (8) per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
Sum due to allotment	32. Any sum which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified
Power to differentiate	33. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.
Payment in advance of calls	34. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in general meeting eight (8) per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

Notice requiring payment of calls	35. If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued by reason of such non-payment.
Notice to state time and place	36. The notice shall name a further day (not being less than seven (7) days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
New shares otherwise subject to provisions of Constitution	37. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and

	<p>all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be forfeited hereunder.</p>
Notice of forfeiture to be given and entered	<p>38. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.</p>
Directors may allow forfeited share to be redeemed	<p>39. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.</p>
Sale of shares forfeited	<p>40. A share so forfeited or surrendered shall become the property of the Company and may be either cancelled, sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.</p>
Rights and liabilities of Members whose shares have been forfeited or surrendered	<p>41. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at eight (8) per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.</p>
Company's lien	<p>42. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all unpaid calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation.</p>
Member not entitled to privileges until all calls paid	<p>43. No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether</p>

	alone or jointly with any other person, together with interest and expenses (if any).
Sale of shares subject to lien	44. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of seven (7) days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the Member for the time being in relation to the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.
Application of proceeds of such sale	45. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the unpaid call and accrued interest and expenses and the residue (if any) paid to the person whose shares have been sold or his executors, administrators or assignees or as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

TRANSFER OF SHARES

Form of transfer of shares	18. Subject to this Constitution, any Member may transfer all or any of his shares but every instrument of transfer of the legal title in shares must be in writing and in the form for the time being approved by the Directors and the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange.
Execution	19. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.
Person under disability	20. No share shall in any circumstances be transferred to any infant, bankrupt or person of disability unsound mind but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

<p>Directors' power to decline to register</p> <p>Terms of registration of transfers</p>	<p>21.(1) Subject to this Constitution, there shall be no restriction on the transfer of fully paid up shares except where required by law or by the rules, bye-laws or listing rules of the Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Act and the listing rules of the Exchange.</p> <p>(2) The Directors may decline to register any instrument of transfer unless:-</p> <p>(i) such fee not exceeding two dollars (S\$2) (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) per transfer as the Directors may from time to time require, is paid to the Company in respect thereof;</p> <p>(ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by a certificate of payment of stamp duty (if any is payable), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and</p> <p>(iii) the instrument of transfer is in respect of only one (1) class of shares.</p>
<p>Retention of Transfers</p>	<p>22. (1) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.</p> <p>(2) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided that:-</p>

	<p>(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;</p> <p>(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Regulation; and</p> <p>(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.</p>
Closing of Register	23. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty (30) days in the aggregate in any year. Provided always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.
Renunciation of allotment	24.(1) Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
Indemnity against wrongful transfer	(2) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

STOCK

Power to convert into stock	52. The Company may by ordinary resolution convert any or all its paid up shares into stock and may from time to time by resolution reconvert any stock into paid up shares of any denomination by the convenors of the meeting.
Transfer of stock	53. The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.

Rights of the stockholders	54. The holders of stock shall, according to the number of stock units held by them, have same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.
Interpretation	55. All provisions of this Constitution applicable to paid up shares shall apply to stock and the words share and shareholder or similar expression herein shall include stock or stockholder .

GENERAL MEETINGS

Annual General Meeting	56.(1) Subject to the provisions of the Act, the Company shall in each year hold a general meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen (15) months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. (2) All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The time and place of any meeting shall be determined by the convenors of the meeting.
Extraordinary General Meetings	
Calling of Extraordinary General Meetings	57. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

Notice of meetings	58. (A)(1) Subject to the provisions of the Act as to the calling of meetings at short notice, at least fourteen (14) clear days' notice in writing of every general meeting shall be given in the manner hereinafter mentioned to all Members and such persons (including the auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen (14) clear days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange and any other stock exchange on which the Company is listed. Where notices contain special resolutions, they must be given to Members and such persons entitled to receive the notice at least twenty-one (21) clear days before the general meeting. Provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-
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	<p>(a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and</p> <p>(b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all Members having a right to vote at that meeting.</p> <p>(2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto shall not invalidate the proceedings at any general meeting.</p>
Contents of notice	58.(B)(1) Every notice calling a general meeting shall specify the place, day and hour of the general meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.
Notice of Annual General Meeting	(2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
Nature of special business to be specified	(3) In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect.

PROCEEDINGS AT GENERAL MEETINGS

Quorum	60. No business shall be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purpose of this Regulation, Member includes a person attending by proxy or by attorney or by a corporate representative in the case of a corporation which has appointed a corporate representative. Provided that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one (1) proxy such proxies shall count as only one (1) Member for the purpose of determining the quorum
Adjournment if quorum not present	61. If within half an hour from the time appointed for the general meeting a quorum is not present, the general meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned general meeting a quorum is not present within half an hour from the time appointed for holding the general meeting, the general meeting shall be dissolved.
Resolutions in writing	62. Subject to the Act, a resolution in writing signed by every Member of the Company in writing entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an ordinary resolution of the Company passed at a

	<p>general meeting duly convened, held and constituted, and may consist of several documents in the like form, each sent to, and signed or approved by one (1) or more of such Members. The expressions "sent", "in writing", "signed" and "approved" include, respectively, transmission to and approval by any such Member by letter, facsimile, electronic mail, telex, cable or telegram or by any form of Electronic Communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. PROVIDED THAT resolutions relating to dispensing with the holding of Annual General Meetings and resolutions in respect of matters requiring Special Notice under the Act may not be passed pursuant to this Regulation 62.</p>
Chairman	<p>63. The Chairman of the Board of Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every general meeting. If there is no such Chairman or Deputy Chairman or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the general meeting or is unwilling to act, the Directors present shall choose a Director amongst them to be Chairman of the general meeting or, if no Director is present or if all the Directors present are unwilling to take the Chair, or otherwise fail to choose a Director amongst them to be Chairman of the meeting, the Members present shall choose a Member present to be Chairman.</p>
Adjournment	<p>64. The Chairman may, with the consent of any general meeting at which a quorum is present (and shall if so directed by the general meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at any adjourned general meeting except business which might lawfully have been transacted at the general meeting from which the adjournment took place. When a general meeting is adjourned for fourteen (14) days or more, notice of the adjourned general meeting shall be given as in the case of the original general meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.</p>
Method of voting	<p>65. At any general meeting all resolutions put to the vote of the general meeting shall be decided by way of poll.</p>
Taking a poll	<p>66. Subject to the Act and the requirements of the Exchange, the poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the general meeting.</p> <p>66A. Subject to the Act and the requirements of the Exchange, at least one (1) scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s). The appointed scrutineer shall exercise the following duties:</p> <ul style="list-style-type: none"> (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and (b) directing and supervising the count of the votes cast through proxy and in person.

	66B. A poll on the election of a Chairman of a meeting or on a question of adjournment shall be taken immediately.
Votes counted in error	67. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same general meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.
Chairman's casting vote	68. Subject to the Act and the requirements of the Exchange, in the case of equality of votes, the Chairman of the general meeting shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.

VOTES OF MEMBERS

Voting rights of members	<p>71.(1) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Regulation 6, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.</p> <p>(2) Every Member who is present in person or by proxy, attorney or representative shall have one (1) vote (or such other number allowed under the Act and the listing rules of the Exchange) for each share which he holds or represents.</p> <p>(3) Notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than seventy-two (72) hours before the time of the relevant general meeting or such cut-off time as provided under the Securities and Futures Act (the cut-off time), whichever is earlier, as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.</p>
Voting rights of joint holders	72. Where there are joint holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one (1) of such joint holders is so present at any

	<p>meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.</p>
Voting rights of Members of unsound mind	<p>73. If a Member be a lunatic, idiot or non-compos mentis, he may vote by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two (72) hours before the time appointed for holding the meeting or such cut-off time as provided under the Act, whichever is earlier.</p>
Right to vote	<p>74. Subject to the provisions of this Constitution, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. In the event a Member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum.</p>
Objections	<p>75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.</p>
Votes on a poll	<p>76. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.</p>
Appointment of proxies	<p>77.(1) Unless otherwise provided by the Act:</p> <ul style="list-style-type: none"> (i) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote at the same general meeting; and (ii) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at the same general meeting, but each proxy shall be appointed to exercise the rights attached to a different share or shares held by such Member. <p>(2) Attendance by a Member shall invalidate his appointment of proxies.</p> <p>(3) If the Member is a Depositor, the Company shall be entitled:-</p> <ul style="list-style-type: none"> (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time as certified by the Depository to the Company; and

	<p>(ii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at the cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.</p> <p>(4) Where a Member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.</p> <p>(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.</p> <p>(6) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members or, in the case of a Depositor, standing to the credit of that Depositor's Securities Account as at the cut-off time as certified by the Depository to the Company, such proxy may not exercise any of the votes or rights of the shares not registered in the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.</p> <p>(7) If the Chairman is appointed as proxy, he may authorise any other person to act as proxy in his stead. Where the Chairman has authorised another person to act as proxy, such other person shall be taken to represent all Members whom the Chairman represented as proxy.</p>
Proxy need not be a Member	78. A proxy or attorney need not be a Member, and shall be entitled to vote on any matter at any general meeting.
Instrument appointing a proxy	<p>79.(1) Any instrument appointing a proxy shall be in writing in the common form or any other form approved by the Directors and</p> <p>(i) in the case of an individual, shall be:</p> <p>(A) executed under the hand of the appointor or his attorney duly authorised in writing if the instrument is delivered personally or sent by post; or</p> <p>(B) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is sent by Electronic Communication; and</p> <p>(ii) in the case of a corporation, shall be:</p> <p>(A) executed under seal in accordance with its constitutional documents or under the hand of its attorney or its officer duly authorised or in such manner as appropriate under applicable laws if the instrument is delivered personally or by post; or</p>

	<p>(B) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is sent by Electronic Communication.</p> <p>The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the general meeting in question.</p> <p>(2) An instrument of proxy shall be deemed to include the power to speak at the meeting, and the power to demand or join in demanding a poll (where applicable) on behalf of the appointer to move any resolution or amendment thereto. Unless otherwise instructed, a proxy or an attorney shall vote as he thinks fit. The signature on an instrument appointing a proxy need not be witnessed.</p>
To be left at Company's office	<p>80. The original instrument appointing a proxy, together with the original power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the original instrument of proxy and must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used, or such cut-off time as provided under the Act, whichever is earlier, failing which the instrument may be treated as invalid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates. An instrument appointing a proxy or the power of attorney or other authority, if any, if sent by Electronic Communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.</p>
Intervening death or insanity of principal not to revoke proxy	<p>81. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.</p>
	<p>81A. Subject to this Constitution and the Act, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any</p>

	general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.
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CORPORATIONS ACTING BY REPRESENTATIVES

Corporations acting by representatives	82. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. The Company shall be entitled to treat an original certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.
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DIVIDENDS AND RESERVES

Payment of dividends	123. The Directors may, with the sanction of the Company, by ordinary resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company.
Apportionment of dividends	124. Subject to any rights or restrictions attached to any shares or class of shares and as otherwise provided by the Act: <p>(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and</p> <p>(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.</p> <p>For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored</p>
Payment of preference and interim dividends	125. Without the need for sanction of the Company under Regulation 123, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends thereon of such amounts and on such dates as they may think fit.
Dividends not to bear interest	126. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
Deduction from dividend	127. The Directors may deduct from any dividend or other moneys payable to any Member or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls

	or in connection therewith, or any other account which the Company is required by law to withhold or deduct.
Retention of dividends on shares subject to lien	128. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Retention of dividends on shares pending transmission	129. The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.
Unclaimed dividends	<p>130.(1)The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depositor returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.</p> <p>(2) A payment by the Company to the Depositor of any dividend or other money payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.</p>
Payment of dividend in specie	131. The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
Scrip dividend	132.(1)Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in

	<p>respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:</p> <ul style="list-style-type: none"> (i) the basis of any such allotment shall be determined by the Directors; (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such election or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation; (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the elected ordinary shares) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Regulation 136, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis. <p>(2) (i) The ordinary shares allotted pursuant to the provisions of Regulation 132(1) shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or</p>
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	<p>contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.</p> <p>(ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Regulation 132(1), with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned).</p> <p>(3) The Directors may, on any occasion when they resolve as provided in Regulation 132(1), determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Regulation shall be read and construed subject to such determination.</p> <p>(4) The Directors may, on any occasion when they resolve as provided in Regulation 132(1), further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.</p> <p>(5) Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of Regulation 132(1) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of Regulation 132(1).</p>
Dividends payable by cheque	<p>133. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct provided that where</p>

	<p>the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>
Effect of transfer	<p>134. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.</p>
Power to carry profit to reserve	<p>135. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide.</p>

CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise profits	<p>136.(1)The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Regulation 48(2):</p> <p>(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:</p> <p style="padding-left: 40px;">(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p style="padding-left: 40px;">(ii) (in the case of an ordinary resolution passed pursuant to Regulation 48(2)) such other date as may be determined by the Directors,</p> <p style="padding-left: 40px;">in proportion to their then holdings of shares; and</p> <p>(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:</p>
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	<p>(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) (in the case of an ordinary resolution passed pursuant to Regulation 48(2)) such other date as may be determined by the Directors,</p> <p>in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.</p> <p>(2) In addition and without prejudice to the powers provided for by Regulation 136(1) and 137, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up such shares in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit.</p>
Directors to do all acts and things to give effect	<p>137. The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register of Members or in the Depository Register as the case may be and as they think fit for any fractional entitlements which would arise including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned. The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto, and any agreement made under such authority shall be effective and binding on all concerned.</p>