

11 APRIL 2017

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

If you are in any doubt about the contents of this Appendix or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to Shareholders of United Global Limited (the “**Company**”) together with the Company’s Annual Report (as defined herein). Its purpose is to explain to Shareholders (as defined herein) the rationale for, and provide relevant information relating to, the renewal of the Shareholders’ Mandate (as defined herein) to be tabled at the AGM (as defined herein) to be held on 27 April 2017 at 10:00 a.m. at 1 Raffles Boulevard, Level 3, Meeting Room 300, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593.

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

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Advisors Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms Lee Khai Yinn, (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.



UNITED GLOBAL LIMITED

(Company Registration No.: 201534604M)

(Incorporated in the Republic of Singapore on 15 September 2015)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE
FOR INTERESTED PERSON TRANSACTIONS**

DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout unless otherwise stated:

Companies within the Group

“Company” : United Global Limited

“Group” : The Company and its subsidiary(ies)

Other companies, corporations and organisations

“PLI” : PT Pacific Lubritama Indonesia

“SGX-ST” : The Singapore Exchange Securities Trading Limited

General

“AGM” : The annual general meeting of the Company to be convened on 27 April 2017, notice of which is set out in the Annual Report

“Annual Report” : The annual report of the Company dated 11 April 2017 in respect of the financial year ended 31 December 2016

“Appendix” : This letter to Shareholders dated 11 April 2017 in relation to the proposed renewal of the Shareholders’ Mandate

“Associate” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

- (i) his immediate family;
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

“Audit Committee” : The audit committee of the Company for the time being

“Base Oil Agreement” : Has the meaning ascribed to it in section 6(a)(i) of this Appendix

“Board” : The board of Directors of the Company

“Catalist” : The Catalist Board of the SGX-ST

“Catalist Rules” : The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, modified or supplemented from time to time

<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Controlling Shareholders”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<i>“Controlling Shareholders”</i>	:	A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (notwithstanding, the SGX-ST may determine that a person who satisfies paragraph (a) is not a Controlling Shareholder); or (b) in fact exercises control over the Company
<i>“Directors”</i>	:	The directors of the Company for the time being
<i>“Entity at Risk”</i>	:	(a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Person(s), has control over the associated company
<i>“Executive Officer”</i>	:	The key executive officer of the Group for the time being
<i>“Interested Person”</i>	:	(a) a Director, chief executive officer, or Controlling Shareholder; or (b) an Associate of any such Director, chief executive officer, or Controlling Shareholder
<i>“Interested Person Transaction”</i>	:	A transaction between an Entity at Risk and an Interested Person
<i>“IPT Register”</i>	:	Has the meaning ascribed to it in section 7(C)(i) of this Appendix
<i>“Latest Practicable Date”</i>	:	16 March 2017, being the latest practicable date prior to the printing of this Appendix
<i>“Mandated Interested Person”</i>	:	PLI
<i>“Mandated Transactions”</i>	:	Has the meaning ascribed to it in section 5 of this Appendix
<i>“Notice of AGM”</i>	:	The notice of the AGM which is set out in the Annual Report
<i>“NTA”</i>	:	Net tangible assets
<i>“Pre-Determined Mark-Up”</i>	:	Has the meaning ascribed to it in section 7(A)(a)(ii) of this Appendix
<i>“Proxy Form”</i>	:	The proxy form in respect of the AGM as attached to the Notice of AGM
<i>“Recommending Directors”</i>	:	Has the meaning ascribed to it in section 12 of this Appendix
<i>“Securities Account”</i>	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent

“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shareholders’ Mandate”	:	The general mandate approved by the Shareholders for the Group to enter into transactions with the Mandated Interested Person in compliance with Chapter 9 of the Catalist Rules, as further described in this Appendix
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“MT”	:	Metric ton
“S\$”	:	Singapore dollars
“US\$”	:	United States dollars
“%”	:	percentage or per centum

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

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

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

Any reference to a time of day and dates in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

UNITED GLOBAL LIMITED

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

Directors:

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

Registered Office:

14 Tuas Drive 2
Singapore 638647

11 April 2017

To: The Shareholders of United Global Limited

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The Company is seeking approval from the Shareholders at the AGM to be held on 27 April 2017 for the renewal of the Shareholders' Mandate to authorise the Group to enter into various Interested Person Transactions in compliance with Chapter 9 of the Catalist Rules.

The purpose of this Appendix is to provide Shareholders with relevant information relating to, and to explain the rationale for, the proposed renewal of the Shareholders' Mandate.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE

The Group anticipates that it would, in the ordinary course of business, enter into certain transactions with Interested Persons, including but not limited to the categories of transactions described below. It is likely that such transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of commercial transactions, it would be advantageous for the Group to obtain a Shareholders' mandate to enter into certain Interested Person Transactions in its normal course of business, provided that all such Interested Person Transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent Interested Person Transactions which are of revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses.

Pursuant to Rule 920(2) of the Catalist Rules, the Company may treat a general mandate as having been obtained from its Shareholders for the Company to enter into certain categories of interested person transactions with the classes of interested person set out below, if the information required under Rule 920(1)(b) of the Catalist Rules is included in the offer document. With the successful listing of the Shares on Catalist on 8 July 2016, Shareholders are deemed to have approved the Shareholders' Mandate under Rule 920(2) of the Catalist Rules. The Shareholders' Mandate was expressed to have effect until the conclusion of the Company's first annual general meeting following Company's admission to Catalist. The Shareholders' Mandate will expire on 27 April 2017, being the date of the forthcoming AGM. Pursuant to Chapter 9 of the Catalist Rules, the Company will seek the approval of its Shareholders for a proposed renewal of the Shareholders' Mandate.

There is no change in the categories of transactions, Entities at Risk and Interested Person as compared to those presented in the offer document of the Company dated 28 June 2016 in relation to the Shareholders' Mandate and the Group expects that it would, in the course of ordinary business, continue to enter into the Mandated Transactions with the Mandated Interested Person.

The renewed Shareholders' Mandate will take effect from the passing of the ordinary resolution relating thereto at the forthcoming AGM and will (unless revoked or varied by the Company in a general meeting) continue in force until the conclusion of the next annual general meeting of the Company. Approval from the Shareholders will be sought for the renewal of the Shareholders' Mandate at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued relevance and application to the transactions with the Interested Persons and confirms that the methods or review procedures for the transactions with Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

3. ENTITY AT RISK

For the purposes of the Shareholders' Mandate, an Entity At Risk means:

- the Company;
- a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or
- an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Person(s), has control over the associated company.

4. CLASS OF MANDATED INTERESTED PERSON

The Shareholders' Mandate will apply to transactions that are entered into between the Group and PLI in the ordinary course of business.

PLI is a company that is 35% owned by Ms Ety Wiranto ("**Ms Ety**"), the Executive Director and deemed Controlling Shareholder of the Company, with the remaining shares held by her siblings. In addition, Mr Wiranto, the Non-Executive Chairman and a Controlling Shareholder of the Company, is the father of Ms Ety and her siblings. Accordingly, Mr Wiranto, Ms Ety and PLI are Interested Persons for the purpose of Chapter 9 of the Catalist Rules.

Transactions between the Mandated Interested Person and the Group which do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules. In particular, if such transactions are of an aggregate value equal to or more than 5% of the Group's latest audited NTA, future transactions of such a nature will be subject to the Shareholders' approval before they can be entered into.

5. CATEGORIES OF MANDATED INTERESTED PERSON TRANSACTIONS WITH PLI

The Group envisages that in the ordinary course of its business, the following transactions between the Group and the Mandated Interested Person are likely to occur from time to time:

- (a) sale of base oils, additives and lubricants to PLI; and
- (b) purchase of processed additives and lubricants from PLI,

(collectively, the "**Mandated Transactions**").

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the Shareholders' Mandate. The Shareholders' Mandate will also not cover any transaction by the Group with the Mandated Interested Person that has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions with other Interested Persons (that is, other than PLI) will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or applicable provisions of the Catalist Rules and/or any applicable law. Transactions conducted under the Shareholders' Mandate are not subject to Rules 905 and 906 of Chapter 9 of the Catalist Rules pertaining to threshold and aggregation requirements.

6. RATIONALE FOR AND BENEFITS OF THE SHAREHOLDERS' MANDATE

The Group has been transacting with PLI since 2003. The sale of base oils, additives and lubricants to PLI, and the purchase of processed additives and lubricants from PLI, are commercial transactions entered into between the Group and PLI in the ordinary course of business. Such transactions will recur frequently and the Directors are of the view that it will be beneficial to the Group to continue to transact with the Mandated Interested Person.

(a) *Sale of base oils to PLI*

As at the date of this Appendix, PLI has been importing base oils into Indonesia solely through the Group.

- (i) The Group has, in 2015, entered into an annual base oil sale and purchase agreement with PLI ("**Base Oil Agreement**"). Under the Base Oil Agreement, PLI would indicate the annual and monthly volume of the two (2) main types of base oils it requires, which the Group would aggregate with its annual and monthly volume requirements, to negotiate the annual base oil pricing with the Group's third party supplier. This is to enable the Group, together with PLI, to enjoy bulk discount on the purchase of base oils and cost savings for sea freight charges. The Group handles all correspondences and documentations for the placement of orders with the third party supplier. PLI is given a credit term similar to those given by the Group to its third party customers. The Group charges PLI based on the cost of purchase plus a mark-up to cover its cost of handling and financing. This mark-up is agreed annually and will be stated in the Base Oil Agreement.

The Base Oil Agreement has expired in June 2016. Following the expiry of the Base Oil Agreement, the Group then assisted PLI to source for base oils required by PLI on an *ad hoc* basis, as detailed in the sub-paragraph (ii) below. The Group may, from time to time, re-enter into a new Base Oil Agreement with PLI as it deems appropriate.

- (ii) In addition to the base oils purchased by PLI under the Base Oil Agreement, the Group also assists PLI to source for base oils required by PLI on an *ad hoc* basis. The Group charges PLI at least the same mark-up as set out in the Base Oil Agreement.

(b) *Sale of additives and lubricants to PLI*

As at the date of this Appendix, PLI has also been importing additives into Indonesia solely through the Group.

- (i) The Group also sells additives to PLI, for their processing of their base oils into lubricants for sale in Indonesia. Some of the lubricants processed by PLI are also sold to the Group. In addition, the Group may also commission PLI to process certain additives for its use. Please see sub-paragraph (c) below for the Group's purchase of processed additives from PLI.

- (ii) The Group also sells certain lubricants to PLI for sale by PLI to its clients in Indonesia. These are lubricants which PLI does not manufacture.

(c) *Purchase of processed additives and lubricants from PLI*

PLI has always provided the Group with certain processed additives and lubricants which are of standards required by the Group on a timely basis. Such purchases are usually made to take advantage of the lower cost of processing and manufacturing in Indonesia. In respect of the processed additives, if PLI is able to process the additives the Group needs at a cost lower than if it purchases directly from its third party supplier, the Group would take advantage of such cost savings by selling the base additives to PLI (based on the procedures as set out in section 7(A)(c) of this Appendix) for their processing, and then purchase the processed additives from PLI. When purchasing processed additives from PLI, the Group shall compare the quotation of the processed additives from PLI with unrelated third party suppliers as set out in section 7(A)(d) of this Appendix. The same "Designated Approval Authority" as set out in section 7(B)(b) of this Appendix will apply. Purchases of such processed additives amounted to US\$2.41 million for FY2016. In respect of the lubricants, most of the lubricants the Group purchases from PLI are lubricants which can be manufactured at a lower cost by PLI as compared to the Group.

The Shareholders' Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions arise, thereby substantially reducing the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The Shareholders' Mandate is intended to facilitate transactions in the normal course of the Group's business which are transacted from time to time with the Mandated Interested Person, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (a) disclose in its Annual Report the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the Shareholders' Mandate during the financial year (as well as in the annual reports for subsequent financial years that the Shareholders' Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the Shareholders' Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

7. METHODS AND PROCEDURES FOR ENTERING INTO THE MANDATED TRANSACTIONS

The Group has put in place the methods and procedures as set out below, to ensure that Mandated Transactions with the Mandated Interested Person will be entered into on an arm's length basis and on normal commercial terms, and are consistent with the Group's usual policies and practices and are not prejudicial to the interests of the Company and its minority Shareholders.

A. Determination of pricing and terms of the Mandated Transactions

(a) Sale of base oils to PLI under the Base Oil Agreement

The price and terms for the sale of base oils to PLI are determined on an annual basis under the Base Oil Agreement, which is largely similar to the annual base oil sale and purchase agreement entered into between the Group and the third party supplier.

- (i) Prior to the entry into the annual base oil sale and purchase agreement with the third party supplier, the Group will negotiate with PLI on its annual and monthly volumetric requirements of the base oils required by PLI. Before renewing the Base Oil Agreement with PLI, the Group will ensure that (1) the

quantity of base oils required by PLI will allow the Group to achieve the favourable pricing available for bulk purchases; (2) the mark-up is sufficient to cover the Group's risks and expenses for ordering the base oils for PLI; and (3) other material terms of the annual base oil sale and purchase agreement with the third party supplier (such as delivery terms) will be reflected in the Base Oil Agreement with PLI.

- (ii) The mark-up, which is determined on a per MT basis (the “**Pre-Determined Mark-Up**”), will be decided after taking into consideration (1) the annual and monthly quantities of base oils required by PLI (as compared to the annual and monthly quantities of base oils required by the third party supplier); (2) the typical quantity for each order; (3) the manpower and time incurred by the Group to place and monitor the orders; (4) the financing cost incurred by the Group for providing the letters of credit to the third party supplier; and (5) the credit term of up to 90 days for PLI which is not more favourable than what is extended to other unrelated third parties. The Base Oil Agreement and the Pre-Determined Mark-Up shall be subject to the annual review and prior approval of the Audit Committee. Upon approval, such Pre-Determined Mark-Up shall be applicable to all sales of base oils to PLI during the contractual period.

(b) Sale of base oils to PLI on *ad hoc* basis

In principle, the Group applies at least the same Pre-Determined Mark-Up to all sales of other base oils to PLI. Prior to entering into such transaction, the Group will assess if the volume required by PLI is sufficient for the Group to enjoy reasonable profits from such sale. Such sale shall only be conducted on the basis that the Group will record a reasonable profit from the *ad hoc* sale after deducting the relevant administrative and financing costs. The relevant parties involved in the assessment are the same “Designated Approval Authority” as set out in section 7(B)(a) of this Appendix. The approval from the Audit Committee will be required for each transaction value equal to or above US\$1.5 million. The US\$1.5 million threshold was determined on the following basis:

- (i) the historical number of base oil transactions. Based on the US\$1.5 million threshold, it is expected that approximately 10% of the annual base oil transactions will be subject to the Audit Committee's approval. The average number of base oil transactions per annum for FY2013, FY2014, FY2015 and FY2016 was 50, which means that the Audit Committee is expected to approve at least five (5) transactions annually in addition to their monthly update and quarterly review;
- (ii) the current base oil unit price is low. It is likely that the base oil price will escalate in the future. If the base oil prices resume to FY2013's level, 12 transactions in FY2013 (or 31%) will be subject to the Audit Committee's approval;
- (iii) base oil transactions are large value transactions. The sale value of a base oil transaction is usually more than 10 times of the lubricant and additives transaction. It would not be fair to subject the transactions to the same threshold; and
- (iv) US\$1.5 million represents only 1.6% of the annual revenue of the Group for FY2016, and 8.4% of the NTA of the Group as at 31 December 2016.

The Audit Committee will also be informed of the transactions on a monthly basis and may request for additional information of any such sale as they deem fit.

- (c) Sale of additives and lubricants to PLI
- (i) Most of the Group's revenue from the sale of additives is from sale to PLI. Additives sold to the Group's third party customers are also different from the additives sold to PLI. As a result, comparison prices are usually not available. Hence, when selling additives to PLI, the Group shall determine that (1) the selling price to PLI is higher than its purchase price; (2) the margin it earns from the transaction more than covers the total expenses to be incurred by the Group for facilitating the sales; and (3) other material terms (such as credit terms and delivery terms) are similar to those it offered to its unrelated third party customers.
 - (ii) When selling lubricants to PLI, the pricing of the lubricants shall be determined with reference to the margins of similar lubricants offered to unrelated third party customers. Such sale shall only be conducted on the basis that (1) the margin generated from the sale of lubricants to PLI is within the range of margin of supplying similar lubricants to unrelated third party customers; and (2) the other material terms (such as credit terms and delivery terms) are similar to those it offered to its unrelated third party customers.

In general, all Mandated Transactions are to be carried out in accordance with the Group's usual business policies and practices, consistent with the usual margins or at the prevailing market rates for the same or substantially similar type of service or product provided, and on terms which are no more favourable to the Mandated Interested Person than those extended to its unrelated third parties or otherwise in accordance with applicable industry norms.

In evaluating the price and terms of the Mandated Transactions, all pertinent factors shall also be taken into consideration, including but not limited to, the size of the transaction, any favourable pricing available for bulk purchases, the delivery milestones and the payment milestones.

In the event that it is not possible to carry out any of the abovementioned procedures due to the lack of similar or comparable products, the Group shall refer to the Audit Committee, and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices, taking into account factors such as, but not limited to, the rationale for the transaction, the benefits to the Group, the circumstances of the transaction, the Group's then prevailing capacity and resources, and the industry's terms and practices (if applicable).

- (d) Purchase of processed additives and lubricants from PLI
- (i) When purchasing processed additives from PLI, the Group shall compare the quotation of the processed additives from PLI with at least one (1) other unrelated third party supplier (which is generally either the manufacturer of such processed additives or the authorised distributor of such processed additives). Such purchase shall only be conducted on the basis that (1) the Group will have savings from the purchase of processed additives from PLI (as compared to the Group purchasing the processed additives from the third party supplier); and (2) the other material terms (such as credit terms and delivery terms) are similar to those the Group obtains from such unrelated third party supplier.
 - (ii) When purchasing lubricants from PLI, the Group shall compare the pricing of the lubricants with the cost to be incurred by it for manufacturing such lubricants in-house. Such purchase shall only be conducted on the basis that (1) the price quoted by PLI is lower than its cost of manufacturing the lubricants; and (2) the other material terms (such as credit terms and delivery terms) are similar to those the Group provides to its customers.

In determining whether the pricing and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, the size of the transaction, the savings generated by the Group from such transaction, the quality of the processed additives and lubricants supplied by PLI, the delivery timeline, and the margins to be made by the Group when it onells the products to its third party customers will also be taken into account.

In the event that it is not possible to carry out any of the abovementioned procedures due to the lack of similar or comparable products, the Group shall refer to the Audit Committee, and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices, taking into account factors such as, but not limited to, the rationale for the transaction, the benefits to the Group, the circumstances of the transaction, the Group's then prevailing capacity and resources, and the industry's terms and practices (if applicable).

B. Approval Authorities and Threshold

The following approval threshold shall be adopted by the Group in respect of the following Mandated Transactions:

- (a) Sale of base oils to PLI under the Base Oil Agreement and/or on an *ad hoc* basis

Value of Each Transaction	Designated Approval Authority
Less than US\$1,500,000	The prior approval of the General Manager and the Financial Controller ⁽¹⁾ who are not related to the Mandated Interested Person
Greater than or equal to US\$1,500,000	The prior approval of the General Manager and the Financial Controller ⁽¹⁾ ; and the Audit Committee, all of whom are not related to the Mandated Interested Person

Note:

- (1) Any of the Executive Officers who is not related to the Mandated Interested Person may review and approve the transaction in the absence of the General Manager or the Financial Controller.

The above approval thresholds are determined based on the historical as well as the anticipated volume and frequency of sales of base oils to PLI under the Base Oil Agreement.

- (b) Other Mandated Transactions

Value of Each Transaction	Designated Approval Authority
Less than 5% of the Group's latest audited consolidated NTA	The prior approval of the Regional Business Development Manager and the General Manager ⁽¹⁾ who are not related to the Mandated Interested Person
Greater than or equal to 5% of the Group's latest audited consolidated NTA	The prior approval of the Regional Business Development Manager and the General Manager; and the Audit Committee, all of whom are not related to the Mandated Interested Person

Note:

- (1) Any of the Executive Officers who is not related to the Mandated Interested Person may review and approve the transaction in the absence of the Regional Business Development Manager and the General Manager.

The Group shall closely monitor the receipt of trade receivables from PLI on a periodic basis. In the event that the outstanding trade receivables due from PLI amount to or exceed 10% of the Group's latest annual audited revenue, the Group will obtain prior approval from the Audit Committee before proceeding to enter into more Mandated Transactions with PLI.

The designated approval authority may request for additional information pertaining to the transaction under review from independent sources or advisers as he deems fit.

If any of the designated approval authority has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by such other senior executive of the Group as designated by the Audit Committee.

If a member of the Audit Committee has an interest in any Mandated Transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to the Mandated Transaction, and the review and approval of that Mandated Transaction will be undertaken by the remaining members of the Audit Committee.

C. Other Monitoring and Review Procedures

The following monitoring and review procedures will also be implemented in relation to all Interested Person Transactions (including the Mandated Transactions):

- (i) The Group will maintain a register of Interested Person Transactions, including the Mandated Transactions (the "**IPT Register**"). The IPT Register shall include information pertinent to all the Interested Person Transactions, such as, but not limited to, the nature of the Interested Person Transactions, the details of the Interested Person Transactions, the rationale for entering into such transactions, the basis (as well as the supporting documents) for determining the transaction prices and material terms and conditions.

The IPT Register shall be prepared, maintained and monitored by the Financial Controller, who shall not be interested in any of the Interested Person Transactions and who is duly delegated to do so by the Audit Committee.

The Group will obtain signed declarations from all Directors and Executive Officers on an annual basis with respect to their interest in any transactions with the Group.

- (ii) In respect of the sale of base oils to PLI, the Financial Controller will submit the summary details of such sales to the Audit Committee on a monthly basis. The Audit Committee may request for additional information of any such sale as they deem fit. This procedure is only applicable to the sale of base oils to PLI because the base oil transactions are covered under the Base Oil Agreement which is reviewed and approved by the Audit Committee on an annual basis. In addition, the Group also applies at least the same Pre-Determined Mark-Up to all sales of other base oils to PLI. Further, the base oil transactions have higher transactional value as compared to the other Mandated Transactions. The Audit Committee will review and approve such transactions equal to or above US\$1.5 million as set out in section 7(B)(a) of this Appendix.
- (iii) Separate from the Audit Committee's requirement to approve Interested Person Transactions submitted to it, the Audit Committee will, on a quarterly basis, review the transactions in the IPT Register, to (1) in respect of Interested Person Transactions excluding the Mandated Transactions, ensure that such Interested Person Transactions are entered into taking into account the review procedures for other Interested Person Transactions; (2) in respect of the Mandated Transactions, ensure that the methods and procedures established under the Shareholders' Mandate have been complied with, and the relevant approvals have been obtained; and (3)

determine if the methods and procedures established under the Shareholders' Mandate continue to be adequate and/or commercially practicable in ensuring that the Mandated Transactions are not prejudicial to the interests of the Company and its minority Shareholders.

- (iv) All Interested Person Transactions shall be subject to the review by the internal auditors of the Group on an annual basis to ensure that the relevant methods and procedures are complied with, and relevant approvals have been obtained. The internal auditors will submit their findings to the Audit Committee. The Audit Committee shall review the internal audit reports to ensure that all Interested Person Transactions are carried out on an arm's length basis, on normal commercial terms, and relevant approvals have been obtained. The Group shall grant the Audit Committee access and shall furnish such information as required by the Audit Committee for such review.
- (v) If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures have become inadequate or inappropriate to ensure that the Mandated Transactions will be entered into based on terms not prejudicial to the interests of the Company and its minority Shareholders, for example, in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Person are conducted, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such methods and procedures, and/or modify or implement such methods and procedures as may be necessary, and direct the Company to seek a fresh general mandate from Shareholders based on new methods and procedures for transactions with Interested Persons.
- (vi) The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

8. OPINION OF INDEPENDENT FINANCIAL ADVISER

Under Chapter 9 of the Catalist Rules, a circular seeking a general mandate for interested person transactions must include, *inter alia*, the methods or procedures for determining transaction prices and an independent financial adviser's opinion on whether such methods or procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.

However, Rule 920(1)(c) of the Catalist Rules provides that an independent financial adviser's opinion is not required for the renewal of a general mandate for interested person transactions provided that the audit committee confirms that: (i) the methods or procedures for determining the transaction process have not changed since last shareholder approval; and (ii) such methods or procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.

Pursuant to the above, the Audit Committee's statement is given in section 9 of the Appendix.

9. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the Shareholders' Mandate. Having considered, *inter alia*, the categories, rationale and benefits, methods and procedures for determining transaction prices and terms of the Mandated Transactions, as set out above, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since last Shareholders' approval; and

- (b) the methods or procedures as set out above are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders,

and hence, an independent financial advisor's opinion is not required for the renewal of this Shareholders' Mandate.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are inappropriate and not sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new guidelines and procedures for transactions with Interested Persons.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders of the Company in the issued share capital of the Company as at the Latest Practicable Date are set out below:

Director	Number of Shares		Number of Shares	
	Direct Interest	%	Deemed Interest	%
Wiranto ⁽¹⁾	144,007,410	50.92	–	–
Tan Thuan Hor ^{(1) (2)}	97,816,250	34.59	409,200	0.14
Ety Wiranto ^{(1) (3)}	409,200	0.14	97,816,250	34.59
Mah Kah On, Gerald	–	–	–	–
Tan Teng Muan	–	–	–	–
Leong Koon Weng	–	–	–	–

Notes:

- (1) Mr Wiranto is the father of Ms Ety and the father-in-law of Mr Tan Thuan Hor, Jacky.
(2) Mr Tan Thuan Hor is deemed to be interested in 409,200 Shares held by his spouse, Ms Ety.
(3) Ms Ety is deemed to be interested in 97,816,250 Shares held by her spouse, Mr Tan Thuan Hor.

11. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Interested Persons and their Associates shall abstain from voting on resolutions approving Interested Person Transactions involving themselves and the Group. Furthermore, such Interested Persons shall not act as proxies in relation to such resolutions unless specific voting instructions have been given by the appointing Shareholder.

As such, Mr Wiranto and Ms Ety as well as their respective Associates (including, but not limited to, Mr Tan Thuan Hor) will abstain from voting on the ordinary resolution 10 in the Notice of AGM for approving the proposed renewal of the Shareholders' Mandate.

12. DIRECTORS' RECOMMENDATION

The Directors who are considered independent for the purpose of the proposed renewal of the Shareholders' Mandate are Mr Mah Kah On, Gerald, Mr Tan Teng Muan and Mr Leong Koon Weng (the "Recommending Directors"). Having considered the rationale and other information set out in this Appendix, the Recommending Directors are of the opinion that the Shareholders' Mandate will enhance the efficiency of the Group and is in the best interests of the Company and recommend that Shareholders vote in favour of the resolution to approve the same as set out in the Notice of AGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Shareholders' Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available source or obtained from the named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

14. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his/her behalf, he/she should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 14 Tuas Drive 2, Singapore 638647, not less than seventy-two (72) hours before the time appointed for the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him/her from attending and voting at the AGM if he/she so wishes.

A Depositor shall not be entitled to attend and vote at the AGM unless he/she is shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for the AGM, as certified by CDP to the Company.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 14 Tuas Drive 2, Singapore 638647, during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) Offer Document of the Company dated 28 June 2016; and
- (b) The Annual Report.

Yours faithfully
For and on behalf of the Board of
UNITED GLOBAL LIMITED

Tan Thuan Hor
Executive Director and CEO