

**Issuer:** United Global Limited

**Security:** United Global Limited

**Meeting details:**

Date: 30 April 2018

Time: 10:00 a.m.

Venue: 1 Raffles Boulevard, Level 3, Meeting Room 327, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593

## Company Description

United Global Limited, through its subsidiary, United Oil Company Pte. Ltd., manufactures and trades in petroleum and oil-based products in Indonesia, the Greater China, Singapore, Other Asian countries, Oceania countries, Malaysia, Myanmar, and internationally. The company primarily offers automotive oils, such as automatic transmission fluids, gasoline engine oils, passenger car motor oils, diesel engine oils, etc.; industrial oils, including hydraulic oils, turbine oils, compressor oils, refrigeration oils, vacuum pump oils, etc.; and marine oils comprising system oils, cylinder oils, trunk piston engine oils, outboard motor oils, wire rope oils, etc. It also provides specialty fluids consisting of brake fluids, coolants, anti-freeze, after market additives, lithium complex grease, etc.; and metal working fluids, such as soluble cutting oils, neat cutting oils, forming oils, quenching oils, and rust prevention oils. The company offers its products under the United Oil, U Star Lube, Bell1, and HydroPure brands, as well as under third-party brands. In addition, it trades in base oils, additives, and lubricants. United Global Limited was founded in 1999 and is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=43P](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=43P))

1. The acquisition of PT Pacific Lubritama Indonesia (“PLI”) was completed in July 2017 and tripled United Global’s blending capacity in Singapore and Indonesia.

As noted in the Chairman and CEO's Message, the Group is working towards realising synergies by increasing business development efforts, ramping up the utilisation of PLI's blending plant in Indonesia, investing in key leaders and tapping on each other's expertise and cost advantage.

- (i) Has the integration of PLI with the group been completed?**
- (ii) With the acquisition of PLI completed more than 9 months ago, what are the realised cost savings and synergies? Has the acquisition performed to management's expectations?**
- (iii) In terms of organic growth, what is the projected gestation period for the new countries in the network, such as the 5 (Qatar, Vanuatu, Turkey, Kyrgyzstan and Sri Lanka) that were added in the year?**
- (iv) With the Singapore plant being upgraded to 60,000MT in its blending capacity (from 16,000MT), what is the expected/targeted utilisation rate? How much more growth can the group's facilities support?**

2. In October 2017, the group established a joint venture with M-TechX Group of Japan to produce oil-absorbent nanofibre materials for various industrial and commercial industries in Singapore, Indonesia, Japan and rest of the world.

The joint venture will be manufacturing the super-absorbent nanofibres which will be cross-sold using the group's extensive distribution channels across over 30 countries.

- (i) Would the board help shareholders understand if the joint venture is synergistic to the group's core lubricant business?**
- (ii) What would be the capital expenditure to set up a manufacturing site to produce the nanofibre? How much capital will the group commit to this new JV?**
- (iii) How did management evaluate the technological/market/commercial risk associated with launching a new product? Is the JV launching a new product category and thus would require educating users on the application of the nanofibre?**
- (iv) Does the JV partner have a successful track record of commercialising its R&D?**

3. As shown in the Corporate Governance Report, the attendance of the directors at meetings of the board and board committees, as well as the frequency of such meetings held during the financial year ended 31 December 2017 are as follows (page 31):

	Board	Audit Committee	Nominating Committee	Remuneration Committee
<b>Total number of meetings held</b>	4	4	1	1
Meetings attended:				
Mr Wiranto #	2	2*	1*	1*
Mr Edy Wiranto #	2	2*	1*	1*
Mr Tan Thuan Hor, Jacky	4	4*	1*	1*
Ms Ety Wiranto	4	4*	1*	1*
Mr Mah Kah On, Gerald	4	4	1	1
Mr Tan Teng Muan	4	4	1	1
Mr Leong Koon Weng	4	4	1	1

\* By invitation

# Mr Wiranto resigned as director of the Company on 1 August 2017, and Mr Edy Wiranto was appointed as director on the same day.

(Source: Company annual report)

Based on the disclosure made in the annual report, Ms Ety Wiranto is the spouse of Mr Tan Thuan Hor, Jacky and Mr Edy Wiranto is the brother of Ms Ety Wiranto and the brother-in-law of Mr Tan Thuan Hor, Jacky.

The company has also disclosed the following:

- All the Independent Directors including the Lead Independent Director, meet at least once annually without the presence of the other Executive and Non-Independent Directors to discuss matters of significance, which are thereon reported to the Chairman accordingly.
- In addition, at least once a year and as and when required, the AC meets with the external and internal auditors without the presence of the Management, to review any matters that might be raised privately.
- Annually, the AC meets with the internal auditors at least once, without the presence of the Management.

As seen in the table above, all the executive directors and the non-executive director were invited for all the board committee meetings held in the year.

- (i) **Can the independent directors who sit and chair the board committees help shareholders understand if it is routine to invite all the non-independent directors to the board committee meetings?**
- (ii) **Given that the independent directors see value in meeting auditors without the presence of management and the non-executive chairman, would the board dynamics change at the board committee without the presence of management and the non-executive chairman?**