

CIRCULAR DATED 12 APRIL 2017

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

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled "DEFINITIONS".

This Circular is issued by the Company. If you are in any doubt about the contents of this Circular or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company held through CDP, you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the Notice of Extraordinary General Meeting and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached proxy form 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 Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



DUTY FREE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200102393E)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED BONUS ISSUE OF UP TO 491,400,157 FREE WARRANTS (THE "BONUS WARRANTS"), EACH BONUS WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE "NEW EXERCISED SHARE") AT THE EXERCISE PRICE OF S\$0.43 FOR EACH NEW EXERCISED SHARE, ON THE BASIS OF TWO (2) BONUS WARRANTS FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED BONUS WARRANTS ISSUE")

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of proxy form	:	26 April 2017 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	28 April 2017 at 10.30 a.m.
Place of Extraordinary General Meeting	:	Novotel Singapore Clarke Quay, Phoenix 1, Level 6, 177A River Valley Road Singapore 179031

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DEFINITIONS

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

General

- “Announcements”* : The announcements made by the Company on 12 January 2017, 24 March 2017 and 5 April 2017 relating to the Proposed Bonus Warrants Issue
- “Approval In-Principle”* : Has the meaning ascribed to it in Section 2.1 of this Circular
- “Board”* : The board of Directors of the Company as at the date of this Circular
- “Bonus Warrants”* : Up to 491,400,157 free warrants in registered form to be allotted and issued by the Company pursuant to the Proposed Bonus Warrants Issue and the Bonus Warrants Deed Poll, and where the context so admits, such additional warrants as may be permitted to be issued by the Company in accordance with the terms and conditions of the Bonus Warrants Deed Poll (any such additional warrants to rank *pari passu* with the Bonus Warrants to be issued pursuant to the Proposed Bonus Warrants Issue and for all purposes to form part of the same series), each such warrant entitling its holder to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price, subject to the terms and conditions of the Bonus Warrants Deed Poll
- “Bonus Warrants Agency Agreement”* : The warrant agency agreement to be entered into between the Company and the Warrant Agent in respect of the Bonus Warrants, appointing the Warrant Agent, as may be modified from time to time by the parties thereto
- “Bonus Warrants Deed Poll”* : The deed poll to be executed by the Company, constituting the Bonus Warrants (as the same may be amended or supplemented from time to time) and containing, *inter alia*, provisions for the protection of the rights and interests of the Warranholders
- “Bonus Warrants Exercise Period”* : The period during which the Bonus Warrants may be exercised commencing on and including the date six (6) months from the date of listing of the Bonus Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Bonus Warrants unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members of the Company or the immediately preceding Market Day, but excluding such period(s) during which the register of Warranholders of the Company may be closed pursuant to the terms and conditions of the Bonus Warrants set out in the Bonus Warrants Deed Poll
- “Bonus Warrants Exercise Price”* : The sum payable in respect of each New Exercised Share to which a Warranholder will be entitled to subscribe upon the exercise of a Bonus Warrant, being S\$0.43, subject to certain adjustments in accordance with the terms and conditions of the Bonus Warrants as set out in the Bonus Warrants Deed Poll

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- “Books Closure Date”* : The time and date, to be determined by the Directors and announced by the Company at a later date, at and on which the Register of Members and share transfer books of the Company will be closed to determine the allotments of Bonus Warrants of Entitled Scripholders and, in the case of Entitled Depositors, at and on which date their allotments of Bonus Warrants are determined under the Proposed Bonus Warrants Issue
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular to Shareholders dated 12 April 2017
- “Companies Act”* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Company” or “DFI”* : Duty Free International Limited
- “Constitution”* : The constitution of the Company, as amended, modified or supplemented from time to time
- “Directors”* : The directors of the Company, as at the date of this Circular
- “EGM”* : The extraordinary general meeting of the Company to be held on Friday, 28 April 2017 at Novotel Singapore Clarke Quay, Phoenix 1, Level 6, 177A River Valley Road, Singapore 179031, notice of which is set out on pages 26 to 28 of this Circular
- “Enlarged Share Capital”* : The enlarged issued and paid-up share capital of the Company of 1,719,900,550 Shares, based on the Existing Issued Share Capital and the Full Warrants Exercise
- “Entitled Depositors”* : Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”* : Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”* : Entitled Depositors and Entitled Scripholders
- “EPS”* : Earnings per Share
- “Existing Issued Share Capital”* : The existing issued and paid-up share capital of the Company as at the Latest Practicable Date, being 1,228,500,393 Shares

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<i>“Foreign Shareholders”</i>	: Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Company, as the case may be, addresses in Singapore for service of notices and documents
<i>“Full Warrants Exercise”</i>	: The scenario based on the Existing Issued Share Capital that 491,400,157 Bonus Warrants are issued pursuant to the Proposed Bonus Warrants Issue, and all such Bonus Warrants being fully exercised into New Exercised Shares, in accordance with the Bonus Warrants Deed Poll
<i>“FY”</i>	: Financial year ended or ending 28 or 29 February, as the case may be
<i>“Group”</i>	: DFI and its subsidiaries
<i>“Last Dealt Price”</i>	: In relation to a Share on a relevant Market Day, the last dealt price per Share for one (1) or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST
<i>“Latest Practicable Date”</i>	: 6 April 2017, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	: The listing manual of the Mainboard of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Mainboard”</i>	: The mainboard of the SGX-ST
<i>“Market Day”</i>	: A day on which the SGX-ST is open for trading in securities in Singapore
<i>“Net Proceeds”</i>	: Has the meaning ascribed to it in Section 2.5.2
<i>“New Exercised Shares”</i>	: Up to 491,400,157 new Shares which may be allotted and issued from time to time pursuant to the exercise of Bonus Warrants in accordance with the terms and conditions of the Bonus Warrants Deed Poll
<i>“NTA”</i>	: Net tangible assets
<i>“Proposed Bonus Warrants Issue”</i>	: The proposed issue of the Bonus Warrants on the basis of two (2) Bonus Warrants for every five (5) existing Shares held by Shareholders at the Books Closure Date, fractional entitlements to be disregarded, subject to the terms and conditions of the Bonus Warrants Deed Poll
<i>“Record Date”</i>	: In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company), on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions

DEFINITIONS

<i>“Register of Members”</i>	:	The register of members containing the names and addresses of the members of the Company kept at the registered office of the Company
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Shareholders”</i>	:	Registered holders of Shares except that where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares, mean Depositors who have Shares entered against their names in the Depository Register
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Share Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte Ltd
<i>“Substantial Shareholder”</i>	:	In relation to a company that is listed on the SGX-ST, a person who has an interest of not less than 5% of the issued voting shares of that listed company
<i>“Warrantholders”</i>	:	Registered holders of the Bonus Warrants except that where CDP is the registered holder, the term “Warrantholders” shall, in relation to such Bonus Warrants and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Bonus Warrants
<i>“Warrant Agent”</i>	:	Boardroom Corporate & Advisory Services Pte Ltd
<i>“%” or “per cent”</i>	:	Percentage or per centum.
Currencies		
<i>“RM” or “RM sen”</i>	:	Malaysian Ringgit, the lawful currency of Malaysia
<i>“S\$” and “cents”</i>	:	Singapore dollar and cents respectively, the lawful currency of Singapore

In this Circular:-

- (i) The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meaning ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.
- (ii) The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.
- (iii) Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.
- (iv) References to persons shall include corporations.

DEFINITIONS

- (v) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (vi) 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 or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.
- (vii) Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.
- (viii) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

DUTY FREE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200102393E)

Directors:

Dato' Sri Adam Sani bin Abdullah (*Non-Executive Chairman*)
Ong Bok Siong (*Managing Director*)
Lee Sze Siang (*Executive Director*)
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)
(*Lead Independent Director*)
Dato' Megat Hisham bin Megat Mahmud (*Independent Director*)
Chew Soo Lin (*Independent Director*)

Registered Office:

Six Battery Road
#10-01
Singapore 049909

12 April 2017

To: The Shareholders of Duty Free International Limited

Dear Sir / Madam,

1. INTRODUCTION

On 12 January 2017, 24 March 2017 and 5 April 2017, the Company made announcements in relation to the Proposed Bonus Warrants Issue, details of which are set out in this Section 2 of this Circular. The Directors are convening the EGM to seek the approval of Shareholders for the Proposed Bonus Warrants Issue.

The purpose of this Circular is to provide Shareholders with relevant information relating to, and the rationale for the Proposed Bonus Warrants Issue to be tabled at the EGM, notice of which is set out on pages 26 to 28 of this Circular.

2. THE PROPOSED BONUS WARRANTS ISSUE

2.1 Basis of the Proposed Bonus Warrants Issue

Based on the Existing Issued Share Capital, up to 491,400,157 Bonus Warrants will be issued pursuant to the Proposed Bonus Warrants Issue. Assuming the Bonus Warrants are fully exercised into New Exercised Shares, the issued share capital of the Company will increase by 491,400,157 Shares, representing approximately 40.0% of the Existing Issued Share Capital and approximately 28.6% of the Enlarged Share Capital.

The Bonus Warrants Exercise Price for each Bonus Warrant is S\$0.43, representing a premium of approximately 7.5% to the last transacted price of S\$0.40 per Share on the Mainboard of the SGX-ST on 11 January 2017 (being the last Market Day preceding the date of the Company's announcement dated 12 January 2017). The Bonus Warrants Exercise Price and the number of Bonus Warrants to be issued will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the Bonus Warrants Deed Poll.

For the avoidance of doubt, the Bonus Warrants will be issued free on the basis of two (2) Bonus Warrants for every five (5) Shares held by Shareholders as at the Books Closure Date. The Bonus Warrants are exercisable during the Bonus Warrants Exercise Period, and will expire at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Bonus Warrants. An announcement on the expiry of the Bonus Warrants will be made through SGXNET and a notice will be sent to all Warrant holders at least one (1) month before the expiry of the Bonus Warrants Exercise Period.

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In other words, the Bonus Warrants cannot be exercised during the first six (6) months immediately after the issue of such Bonus Warrants. This is in view of the exemption accorded under Regulation 24(1) of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, which exempts the Company from issuing any prospectus, profile statement or offer information statement in relation to, and for the purpose of, the issue of Bonus Warrants structured in this manner.

On 5 April 2017, the Directors announced that the Company had obtained approval in-principle from the SGX-ST for the admission to the Mainboard of the SGX-ST and the listing and quotation of up to 491,400,157 Bonus Warrants and up to 491,400,157 New Exercised Shares (the “**Approval In-Principle**”). Please refer to Section 2.3 of this Circular for more information on the Approval In-Principle.

The Bonus Warrants will be traded on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system upon the listing of and quotation for the Bonus Warrants on the Mainboard of the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the Bonus Warrants.

The New Exercised Shares will, when allotted and issued, rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the relevant exercise date of the Bonus Warrants. **The New Exercised Shares will be listed and traded on the Mainboard of the SGX-ST. Shareholders who hold odd lots of the New Exercised Shares and who wish to trade in odd lots may do so on the Unit Share Market of the SGX-ST.**

As at the Latest Practicable Date, there are more than 1,000 Shareholders based on the records of the Register of Members of the Company and the Depository Register. As such, the expected number of Warrantheolders for the Bonus Warrants is at least 1,000.

2.2 Principal Terms of the Bonus Warrants

Basis of allotment	:	Two (2) Bonus Warrants for every five (5) Shares held by Shareholders as at the Books Closure Date.
Bonus Warrants Exercise Price	:	Each Bonus Warrant will entitle the Warrantheolder to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price of S\$0.43, payable in full on exercise of the Bonus Warrant, subject to adjustments under certain circumstances in accordance with the terms and conditions of the Bonus Warrants to be set out in the Bonus Warrants Deed Poll.
Bonus Warrants Exercise Period	:	The period during which the Bonus Warrants may be exercised commencing on and including the date six (6) months from the date of listing of the Bonus Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5 th) anniversary of the date of issue of the Bonus Warrants unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members of the Company or the immediately preceding Market Day, but excluding such period(s) during which the register of Warrantheolders of the Company may be closed pursuant to the terms and conditions of the Bonus Warrants set out in the Bonus Warrants Deed Poll.
Number of Bonus Warrants	:	Based on the Existing Issued Share Capital, up to 491,400,157 Bonus Warrants will be issued.

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Listing and trading of the Bonus Warrants : Approval In-Principle for the listing and quotation of the Bonus Warrants on the Mainboard of the SGX-ST has been granted on 5 April 2017 subject to certain conditions, details of which are set out in Section 2.3 of this Circular. The Approval In-Principle is not to be taken as an indication of the merits of the Proposed Bonus Warrants Issue, the Bonus Warrants, the New Exercised Shares, the Company, its subsidiaries or its securities.

Each board lot of Bonus Warrants will consist of 100 Bonus Warrants or such other number as may be notified by the Company.

Form and subscription rights : The Bonus Warrants will be issued in registered form and will be constituted by the Bonus Warrants Deed Poll. Subject to the terms and conditions of the Bonus Warrants Deed Poll, each Bonus Warrant will entitle the Warrantholder, at any time during the Bonus Warrants Exercise Period, to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price in force on the relevant exercise date.

Mode and payment for exercise of the Bonus Warrants : Payment of the Bonus Warrants Exercise Price shall be made to the Warrant Agent at its specified office in the form of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company, for the full amount of the Bonus Warrants Exercise Price payable in respect of the Bonus Warrants exercised.

Number of New Exercised Shares : Based on the Existing Issued Share Capital, up to 491,400,157 Bonus Warrants will be issued pursuant to the Proposed Bonus Warrants Issue and assuming the Bonus Warrants are fully exercised into New Exercised Shares, up to 491,400,157 New Exercised Shares will be issued pursuant to the exercise of the Bonus Warrants.

Status of New Exercised Shares : The New Exercised Shares will, upon their allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which precedes the date of issue of the New Exercised Shares.

Adjustments : The Bonus Warrants Exercise Price and/or the number of Bonus Warrants to be held by each Warrantholder will, after the issue of the Bonus Warrants, be subject to adjustments under certain circumstances to be set out in the Bonus Warrants Deed Poll. Any such adjustments will be made in consultation with an Approved Bank and certified by the Auditors.

In the current context, an "**Approved Bank**" means any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the Monetary Authority of Singapore as may be selected by the Directors, and "**Auditors**" means the auditors for the time being of the Company.

Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company through SGXNET.

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Any additional Bonus Warrants issued pursuant to such adjustments shall rank *pari passu* with the Bonus Warrants issued under the Proposed Bonus Warrants Issue and will for all purposes form part of the same series.

A brief summary of the various adjustment mechanisms is set out in the paragraphs below. Full details of the adjustments will be contained in the Bonus Warrants Deed Poll.

- (a) If, and whenever, consolidation or subdivision of the Shares occurs, the Bonus Warrants Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{A}{B} \times X$$

and the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Bonus Warrants} = \frac{B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = existing Bonus Warrants Exercise Price; and

W = existing number of Bonus Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (b) If, and whenever, the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Bonus Warrants Exercise Price and the number of Bonus Warrants shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{A + B}{A} \times W$$

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where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this part (b), “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

(c) If, and whenever:-

(i) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(ii) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Bonus Warrants Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

and in respect of each case referred to in part (c)(ii) above, the number of Bonus Warrants held by each Warrantholder shall be adjusted in the following manner:-

$$\text{Adjusted number of Bonus Warrants} = \frac{C}{C - D} \times W$$

where:-

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C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in part (c)(ii) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under part (c)(ii) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within part (c) above, the fair market value, as determined by an Approved Bank, of that portion of the Capital Distribution or of the nil-paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

For the purposes of definition (i) of “D” above, the **“value of the rights attributable to one (1) Share”** shall be calculated in accordance with the formula:-

$$\frac{C - Z}{Q + 1}$$

where:-

C = as in C above;

Z = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

Q = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purposes of this part (c), **“Capital Distribution”** shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under part (b)) or other securities (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully or partly paid-up by way of capitalisation of profits or reserves. Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of

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assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to part (c)(i).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to part (c)(ii).

For the purposes of this part (c), “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- (d) If, and whenever, the Company makes any allotment to its Shareholders as provided in part (b) above and also makes any offer or invitation to its Shareholders as provided in part (c)(ii) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Bonus Warrants Exercise Price and the number of Bonus Warrants held by each Warrant holder shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{(I \times C) + (J \times Z)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times Z)} \times W$$

where:-

I = the aggregate number of issued and fully paid-up Shares on the record date;

C = as in C above;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

Z = as in Z above;

B = as in B above;

X = as in X above; and

W = as in W above.

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Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

- (e) If, and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under part (c)(ii) or (d) above and other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the Last Dealt Price on the SGX-ST on five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Bonus Warrants Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:-

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price for the five (5) Market Days before the date on which the issue price of such Shares is determined (exclusive of expenses);

M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of part (e) above, the “**Total Effective Consideration**” shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

LETTER TO SHAREHOLDERS

In the event any adjustment to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants held by each Warrantholder is proposed or required to be made, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Company from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Company as at the date of the Bonus Warrants Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Company (based on the new Shares comprised in the unexercised Bonus Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event giving rise to such adjustment.

Transfer and Transmission

: A Bonus Warrant may only be transferred in the manner prescribed in the terms and conditions of the Bonus Warrants as set out in the Bonus Warrants Deed Poll, including, *inter alia*, the following:

(a) Lodgement of certificate(s) and transfer form

A Warrantholder whose Bonus Warrants are registered in his own name (the "**Transferor**") shall lodge, during normal business hours on any business day so as to be received at the specified office of the Warrant Agent, the Transferor's Bonus Warrant certificate(s) together with an instrument of transfer (the "**Transfer Form**") duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Bonus Warrants to it;

(b) Deceased Warrantholder

The executors and administrators of a deceased Warrantholder whose Bonus Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Bonus Warrants are registered otherwise than in the name of CDP) and, in the case of one or more of several such joint Warrantholders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having title to Bonus Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and the payment of the fees and expenses required by the terms and conditions of the Bonus Warrants to be set out in the Bonus Warrants Deed Poll, be entitled to be registered as a holder of the Bonus Warrants or to make such transfer as the deceased holder could have made; and

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(c) Bonus Warrants registered in the name of CDP

Where the Bonus Warrants are registered in the name of CDP and the Bonus Warrants are to be transferred between Depositors, such Bonus Warrants must be transferred in the Depository Register by CDP by way of book-entry.

Winding Up of the Company

: If a resolution is passed for a members' voluntary winding-up of the Company then:

- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them, shall be a party and shall have approved or assented to by way of a resolution passed at a meeting of the Warranholders duly convened and held in accordance with the provisions of the Bonus Warrants Deed Poll by a majority consisting of not less than three-fourths of the votes cast thereon, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Bonus Warrants; and
- (b) in any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding up of the Company, every Warranholder shall be entitled, no later than two (2) business days prior to the proposed general meeting, by irrevocable surrender of his Bonus Warrant certificate(s) to the Company with the notice for the exercise of the Bonus Warrants duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Bonus Warrants to the extent of the number of Bonus Warrants exercised and had on such date been the holder of the New Exercised Shares.

The Company shall give notice to the Warranholders in accordance with the terms of the Bonus Warrants Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof. The New Exercised Shares will be allotted to such Warranholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound up for any other reason, all Bonus Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Bonus Warrants shall cease to be valid for any purpose.

Further issues

: Subject to the terms and conditions of the Bonus Warrants set out in the Bonus Warrants Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

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Warrant Agent : Boardroom Corporate & Advisory Services Pte Ltd and its successors in title or such other warrant agent for the Bonus Warrants as may from time to time be appointed by the Company under the Bonus Warrants Agency Agreement.

Governing Law : Laws of the Republic of Singapore

2.3 Conditions for the Proposed Bonus Warrants Issue

Shareholders should note that the Proposed Bonus Warrants Issue is subject to, *inter alia*, the following:

- (a) the receipt of the Approval In-Principle from the SGX-ST for the listing and quotation of the Bonus Warrants and the New Exercised Shares on the Mainboard of the SGX-ST; and
- (b) Shareholders' approval being obtained for the Proposed Bonus Warrants Issue at the EGM.

On 5 April 2017, the Company received the Approval In-Principle from the SGX-ST for the listing and quotation of:

- (a) up to 491,400,157 Bonus Warrants on the basis of two (2) Bonus Warrants for every five (5) Shares held in the share capital of the Company as at the Books Closure Date at the Bonus Warrants Exercise Price of S\$0.43 for each New Exercised Share, fractional entitlements to be disregarded; and
- (b) up to 491,400,157 New Exercised Shares to be issued upon exercise of the Bonus Warrants,

subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) shareholders' approval for the Proposed Bonus Warrants Issue;
- (c) a written confirmation from the Company that the Proposed Bonus Warrants Issue is in compliance with the relevant provisions of the Companies Act;
- (d) a written confirmation from the Company that there is a satisfactory spread of warrant holders (at least 100) to provide an orderly market for the Bonus Warrants in compliance with Rule 826 of the Listing Manual;
- (e) a written undertaking from the Company that it will comply with Rule 704(30) of the Listing Manual in relation to the use of the proceeds arising from the exercise of the Bonus Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (f) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
- (g) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual; and
- (h) a written undertaking from the Company to disclose the restricted exercise period of the Bonus Warrants in all announcements made by the Company relating to the Bonus Warrants and in all its financial results announcements until such time the restriction no longer applies.

The Approval In-Principle from the SGX-ST is not to be taken as an indication of the merits of the Proposed Bonus Warrants Issue, the Bonus Warrants, the New Exercised Shares, the Company, its subsidiaries or its securities.

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For the avoidance of doubt, the Approval In-Principle is only for the listing and quotation of the Bonus Warrants and the New Exercised Shares on the Mainboard of the SGX-ST.

2.4 Eligibility of Shareholders to participate in the Proposed Bonus Warrants Issue

2.4.1 Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Proposed Bonus Warrants Issue.

Entitled Scripholders are encouraged to open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so as to enable CDP to credit their Securities Accounts with their Bonus Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses in the Register of Members of the Company.

All fractional entitlements to the Bonus Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be dealt with in such manner as the Directors in their absolute discretion deem fit.

2.4.2 Foreign Shareholders

Foreign Shareholders will not be entitled to participate in the Proposed Bonus Warrants Issue. Accordingly, no allotment of the Bonus Warrants will be made to Foreign Shareholders.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Proposed Bonus Warrants Issue should provide such an address in Singapore not later than three (3) Market Days before the Books Closure Date to be announced by notifying the Company (c/o the Share Registrar), Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.

Depositors whose registered addresses with CDP are not in Singapore and who wish to be eligible to participate in the Proposed Bonus Warrants Issue should provide an address in Singapore for the service of notices and documents not later than three (3) Market Days before the Books Closure Date by notifying CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Bonus Warrants which would otherwise have been allotted to Foreign Shareholders to be sold on the Mainboard of the SGX-ST.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in connection therewith.

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Where such Bonus Warrants are sold on the Mainboard of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in respect of such sales or the proceeds thereof.

If such Bonus Warrants cannot be or are not sold on the Mainboard of the SGX-ST as aforesaid for any reason, the Bonus Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

2.5 Purpose of the Proposed Bonus Warrants Issue and Use of Proceeds

2.5.1 Purpose of the Proposed Bonus Warrants Issue

The Directors are proposing the Proposed Bonus Warrants Issue to potentially increase the issued share capital base of the Company to reflect the growth and expansion of the Group's business. This will also reward Shareholders for their loyalty and support towards the Company by providing Shareholders with an opportunity to increase their equity participation in the Company and allow Shareholders to participate in the future growth of the Company. The Directors believe that the Proposed Bonus Warrants Issue, if carried out, will encourage trading liquidity and potentially strengthen the Company's balance sheet.

2.5.2 Use of Proceeds

As the Warrants are offered free, there will be no proceeds raised directly from the Proposed Bonus Warrants Issue.

Assuming the maximum 491,400,157 Bonus Warrants are issued and in the event that all these Bonus Warrants are exercised, the Company will raise gross proceeds from the exercise of the Bonus Warrants of approximately S\$211.3 million. The estimated net proceeds from the exercise of the Bonus Warrants, after deducting estimated expenses of the Proposed Bonus Warrants Issue, will amount to approximately S\$211.0 million (the "**Net Proceeds**"). For the avoidance of doubt, the aforementioned sum is raised only upon the exercise of the Bonus Warrants, which is optional, not at the point of issuance of the Bonus Warrants but over the period of the Bonus Warrants Exercise Period. Conversely, in the event that none of the Bonus Warrants are exercised, no proceeds will be raised by the Company at all.

The Company intends to utilise the Net Proceeds (if any) for the Group's investments to support the Group's business activities and operations, general corporate requirements including but not limited to acquisition and funding of potential business opportunities, if any, and general working capital including but not limited to renovation and upgrading of business outlets, should the need arise. As the actual amount of Net Proceeds received by the Company from the exercise of the Warrants will depend on when and the extent to which such Bonus Warrants are exercised, the percentage allocation for the aforementioned intended uses cannot be determined as at the date of this Circular. The Company will make the necessary announcements through SGXNET and subsequently provide a status report on the use of such Net Proceeds in its annual report.

Pending the deployment of the Net Proceeds for the aforementioned purposes, such proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or debt instruments, or used for any other purpose on a short term basis as the Directors may deem appropriate in the interests of the Company.

However, the Directors are of the opinion that there is no minimum amount which must be raised under the Proposed Bonus Warrants Issue.

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2.6 Books Closure Date

The Books Closure Date for the purpose of determining Entitled Shareholders' entitlements under the Proposed Bonus Warrants Issue will be announced at a later date through SGXNET.

2.7 Financial Effects arising from the exercise of the Bonus Warrants

The financial effects of the Proposed Bonus Warrants Issue arising from the Full Warrants Exercise on, *inter alia*, the share capital, NTA per Share, gearing and EPS of the Group as set out below:

- (i) are purely for illustrative purposes only, and do not take into account the effects of the use of the Net Proceeds and are not projections of the actual future financial performance or financial position of the Group after the Proposed Bonus Warrants Issue or the exercise of Bonus Warrants;
- (ii) are based on the audited consolidated financial statements of the Group for FY2016 and the unaudited consolidated financial statements of the Group for the nine (9) months ended 30 November 2016 ("**9M FY2017**");
- (iii) assume that all Shareholders subscribe for their respective entire entitlements of the Bonus Warrants, in accordance with the Bonus Warrants Deed Poll;
- (iv) assume that all of the 491,400,157 Bonus Warrants had been issued and the Full Warrants Exercise had taken place on 29 February 2016 and 30 November 2016 for the purposes of computing the financial effects of the share capital, NTA per Share and gearing as at 29 February 2016 and 30 November 2016 respectively;
- (v) assume that the Full Warrants Exercise had taken place on 1 March 2015 and 1 March 2016 for the purposes of computing the financial effects of the EPS for FY2016 and 9M FY2017 respectively;
- (vi) for the purposes of computing the financial effects of the share capital, NTA per Share and gearing as at 29 February 2016 as well as the EPS for FY2016, such financial effects do not take into account (a) any corporate actions announced and undertaken by the Group subsequent to 1 March 2016; and (b) any issuance of new Shares subsequent to 1 March 2016;
- (vii) for the purposes of computing the financial effects of the share capital, NTA per Share and gearing as at 30 November 2016 as well as the EPS for 9M FY2017, such financial effects do not take into account (a) any corporate actions announced and undertaken by the Group subsequent to 1 December 2016; and (b) any issuance of new Shares subsequent to 1 December 2016;
- (viii) the expenses incurred in connection with the Proposed Bonus Warrants Issue amount to approximately S\$0.30 million (equivalent to approximately RM0.95 million); and
- (ix) are based on the exchange rate of S\$1 : RM3.1606.

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2.7.1 Share Capital of the Company

	Before issuance of Bonus Warrants		After issuance of Bonus Warrants, but before Full Warrants Exercise		After Full Warrants Exercise	
	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016
No. of Shares ⁽¹⁾ ('000)	1,099,850	1,194,350	1,099,850	1,194,350	1,591,251	1,685,751
Share Capital (RM'000)	979,940	1,067,763	979,940	1,067,763	1,647,781	1,735,604

Note

- (1) Excluding 6,198,000 and 698,000 treasury Shares held by the Company as at 29 February 2016 and 30 November 2016 respectively.

2.7.2 NTA per Share

	Before issuance of Bonus Warrants		After issuance of Bonus Warrants, but before Full Warrants Exercise		After Full Warrants Exercise	
	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016
NTA ⁽²⁾ (RM'000)	375,516	536,609	374,568	535,661	1,042,409	1,203,502
NTA per Share (RM sen)	34.14	44.93	34.06	44.85	65.51	71.39

Note

- (2) NTA is computed based on net assets, excluding intangible assets and non-controlling interests.

2.7.3 Gearing

	Before issuance of Bonus Warrants		After issuance of Bonus Warrants, but before Full Warrants Exercise		After Full Warrants Exercise	
	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016	As at 29 February 2016	As at 30 November 2016
Gearing (times)	0.13	0.02	0.13	0.02	0.05	0.01
Debt (RM'000)	51,769	13,754	51,769	13,754	51,769	13,754
Equity ⁽³⁾ (RM'000)	404,332	565,425	403,384	564,477	1,071,225	1,232,318

Note

- (3) Excludes non-controlling interests.

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2.7.4 EPS

	Before issuance of Bonus Warrants		After issuance of Bonus Warrants, but before Full Warrants Exercise		After Full Warrants Exercise	
	FY2016	9M FY2017	FY2016	9M FY2017	FY2016	9M FY2017
Profit attributable to owners of the Company (RM'000)	62,070	54,915	61,122	53,967	61,122	53,967
Weighted average number of Shares ⁽⁴⁾ ('000)	1,099,845	1,158,134	1,099,845	1,158,134	1,591,245	1,649,534
EPS (RM sen)	5.64	4.74	5.56	4.66	3.84	3.27

Note

(4) Excludes 6,198,000 and 698,000 treasury Shares held by the Company as at 29 February 2016 and 30 November 2016 respectively.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company based on information recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, maintained pursuant to Section 164 and Section 88 of the Companies Act respectively as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors						
Dato' Sri Adam Sani bin Abdullah	–	–	905,028,113 ⁽²⁾	73.67	905,028,113	73.67
Ong Bok Siong	–	–	–	–	–	–
Lee Sze Siang	–	–	–	–	–	–
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	–	–	–	–	–	–
Dato' Megat Hisham bin Megat Mahmud	–	–	–	–	–	–
Chew Soo Lin	2,669,399	0.22	133,000 ⁽³⁾	0.01	2,802,399	0.23
Substantial Shareholders						
Dato' Sri Adam Sani bin Abdullah	–	–	905,028,113 ⁽²⁾	73.67	905,028,113	73.67
Atlan Holdings Bhd	905,028,113	73.67	–	–	905,028,113	73.67
Distinct Continent Sdn Bhd	–	–	905,028,113 ⁽⁴⁾	73.67	905,028,113	73.67
Sebastian Paul Lim Chin Foo	–	–	905,028,113 ⁽⁵⁾	73.67	905,028,113	73.67
Berjaya Corporation Berhad	–	–	905,028,113 ⁽⁶⁾	73.67	905,028,113	73.67
Tan Sri Dato' Seri Vincent Tan Chee Yioun	–	–	905,028,113 ⁽⁷⁾	73.67	905,028,113	73.67

LETTER TO SHAREHOLDERS

Notes:-

- (1) The percentage of Shares is computed based on 1,228,500,393 Shares, being the total number of issued voting shares of the Company (excluding 698,000 treasury shares) as at the Latest Practicable Date.
- (2) Dato' Sri Adam Sani bin Abdullah is deemed interested in the 905,028,113 Shares held by Atlan Holdings Bhd through Distinct Continent Sdn Bhd. His son, Sebastian Paul Lim Chin Foo, has a majority interest in Distinct Continent Sdn Bhd.
- (3) Mr. Chew Soo Lin is deemed interested in the 133,000 Shares held by his mother, Madam Chong Sai Noi @ Chong Mew Leng.
- (4) Distinct Continent Sdn Bhd is a substantial shareholder of Atlan Holdings Bhd. Distinct Continent Sdn Bhd is deemed interested in the 905,028,113 Shares held by Atlan Holdings Bhd by virtue of Section 7 of the Companies Act.
- (5) Sebastian Paul Lim Chin Foo is deemed interested in the 905,028,113 Shares held by Atlan Holdings Bhd through his majority interest in Distinct Continent Sdn Bhd by virtue of Section 7 of the Companies Act.
- (6) Berjaya Corporation Berhad is deemed interested in the 905,028,113 Shares held by Atlan Holdings Bhd through its direct and indirect 26.78% interest in Atlan Holdings Bhd.
- (7) Tan Sri Dato' Seri Vincent Tan Chee Yioun is deemed interested in the 905,028,113 Shares held by Atlan Holdings Bhd through his interest in Berjaya Corporation Berhad. Berjaya Corporation Berhad currently has a direct and indirect interest totalling 26.78% in Atlan Holdings Bhd. Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of Berjaya Corporation Berhad.

Saved as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interests, direct or indirect, in the Proposed Bonus Warrants Issue (other than through their respective shareholdings in the Company).

4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the purpose for the Proposed Bonus Warrants Issue as set out in Section 2.5.1 of this Circular, are of the opinion that the Proposed Bonus Warrants Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Bonus Warrants Issue as set out in the Notice of EGM on pages 26 to 28 of this Circular.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 26 to 28 of this Circular, will be held at Novotel Singapore Clarke Quay, Phoenix 1, Level 6, 177A River Valley Road, Singapore 179031 on Friday, 28 April 2017 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the notice of EGM on pages 26 to 28 of this Circular.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

- 6.1 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at Six Battery Road #10-01 Singapore 049909 not later than 48 hours before the time fixed for the EGM. The completion and sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so.
- 6.2 A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

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7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the Company's registered office at Six Battery Road #10-01 Singapore 049909 from the date of this Circular up to and including the date of the EGM:-

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2016; and
- (c) the draft of the Bonus Warrants Deed Poll.

Yours faithfully,
For and on behalf of the Board

Lee Sze Siang
Executive Director
Duty Free International Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

DUTY FREE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200102393E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Duty Free International Limited (the “Company”) will be held at Novotel Singapore Clarke Quay, Phoenix 1, Level 6, 177A River Valley Road, Singapore 179031 on Friday, 28 April 2017 at 10.30 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

ORDINARY RESOLUTION 1

PROPOSED ISSUE OF BONUS WARRANTS

That approval be and is hereby given for the issue of up to 491,400,157 free warrants (the “**Bonus Warrants**”), each Bonus Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Exercised Share**”) at an exercise price of S\$0.43 for each New Exercised Share, on the basis of two (2) Bonus Warrants for every five (5) existing ordinary shares in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at such books closure date to be determined by the Directors and announced by the Company at a later date (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Proposed Bonus Warrants Issue**”), and authority be and is hereby given to the Directors to:

- (a) create and issue:
 - (i) up to 491,400,157 Bonus Warrants in registered form to be issued free, each Bonus Warrant to entitle the holder thereof to subscribe for one (1) New Exercised Share at an exercise price of S\$0.43 for each New Exercised Share and which may be exercised commencing on and including the date six (6) months from the date of listing of the Bonus Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Bonus Warrants unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members of the Company or the immediately preceding Market Day, but excluding such period(s) during which the register of Warrantholders of the Company may be closed pursuant to the terms and conditions of the deed poll constituting the Bonus Warrants to be executed by the Company (the “**Bonus Warrants Deed Poll**”), subject to the terms and conditions of the Bonus Warrants Deed Poll and on such other terms and conditions as the Directors may think fit; and
 - (ii) such further Bonus Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Bonus Warrants Deed Poll (any such further Bonus Warrants to rank *pari passu* with the Bonus Warrants and for all purposes to form part of the same respective series, save as may otherwise be provided in the terms and conditions of the Bonus Warrants Deed Poll); and
- (b) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
 - (i) up to 491,400,157 New Exercised Shares upon the exercise of the Bonus Warrants, subject to and otherwise in accordance with the terms and conditions of the Bonus Warrants Deed Poll, such New Exercised Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares of the Company (save as may otherwise be provided in the

NOTICE OF EXTRAORDINARY GENERAL MEETING

terms and conditions of the Bonus Warrants Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the relevant exercise date of the Bonus Warrants; and

- (ii) on the same basis as paragraph (b)(i) above, such further New Exercised Shares as may be required to be allotted and issued on the exercise of any of the Bonus Warrants issued in accordance with paragraph (a)(ii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

- (A) the issue of the Bonus Warrants under the Proposed Bonus Warrants Issue shall be made to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited ("**CDP**") as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents;
- (B) no issue of the Bonus Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**");
- (C) the issue of Bonus Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit and to pool and thereafter distribute the net proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company; and
- (D) the issue of Bonus Warrants not allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company,

and the Directors and each of them be and are hereby authorised to implement, effect and complete and do all acts and things (including executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 1 as they may think fit.

BY ORDER OF THE BOARD

Lee Sze Siang
Executive Director
12 April 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:-

1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy must be deposited at the registered office of the Company at Six Battery Road #10-01 Singapore 049909 not less than 48 hours before the time appointed for holding the EGM. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

*A Relevant Intermediary is:-

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

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and the proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

PROXY FORM

DUTY FREE INTERNATIONAL LIMITED

(Company Registration Number: 200102393E)

(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:-

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

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

of _____ (Address)

being a member/members of **DUTY FREE INTERNATIONAL LIMITED** (the "Company"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy (%)
Address		

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy (%)
Address		

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Novotel Singapore Clarke Quay, Phoenix 1, Level 6, 177A River Valley Road, Singapore 179031 on Friday, 28 April 2017 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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

Ordinary Resolution	No. of votes 'For'*	No. of votes 'Against'*
Resolution 1 To approve the Proposed Issue of Bonus Warrants		

Dated this _____ day of _____ 2017

Total number of Shares in:-	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

*Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



PROXY FORM

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Six Battery Road #10-01 Singapore 049909 not less than 48 hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:-

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

General:-

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

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 April 2017.