

CIRCULAR DATED 13 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your ordinary shares in the capital of AP Oil International Limited (the “**Company**”), you should immediately hand this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



AP OIL INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197502257M)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED SALE OF THE TRANSFER ASSETS (AS DEFINED HEREIN)
IN CONNECTION WITH THE BUSINESS (AS DEFINED HEREIN) TO AP OIL PTE. LTD.,
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	27 April 2015 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	29 April 2015 at 3.30 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	18 Pioneer Sector 1, Jurong, Singapore 626428

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DEFINITIONS

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

- “Announcement”** : The Company’s announcement on the SGXNet dated 6 March 2015 in relation to the Proposed Business Transfer
- “Board”** : The board of Directors of the Company for the time being
- “Business”** : The business relating to the manufacturing and trading of lubricants and specialty chemicals
- “Business Transfer Agreement”** : The Business Transfer Agreement dated 6 March 2015 entered into between the Transferee and the Company
- “Cash Sum”** : Such freely transferable cash funds equivalent to S\$10,000,000 less (a) S\$352,572 being the net book value of the Certain Assets; and (b) the net book value of the Stocks determined based on their net book value, as reflected in the management accounts of the Company for the month ended 30 April 2015 and which shall be determined on the Transfer Date
- “CDP”** : The Central Depository (Pte) Limited
- “Certain Assets”** : The following assets, being:
- (a) the Equipment;
 - (b) the benefit (subject to the burden) of the Contracts; and
 - (c) all Information, records and other documents relating to the Business;
- as described in Section 2.2(a), (c) and (d) of this Circular
- “Circular”** : This circular to Shareholders dated 13 April 2015
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time up to the Latest Practicable Date
- “Company”** : AP Oil International Limited
- “Conditions”** : The conditions which the Proposed Business Transfer is subject to, as set out in Section 2.6.1 of this Circular
- “Consideration”** : The consideration payable by the Transferee for the Transfer Assets, which is the sum of S\$10,000,000 and as further described in Section 2.5.1 of this Circular

DEFINITIONS

- “Contracts”** : All contracts and engagements entered into or orders made before the Transfer Date by or on behalf of the Company with third parties in connection with the Business which remain (in whole or in part) to be performed at the Transfer Date, including (but without limitation) all orders and contracts for the manufacture, sale or purchase of goods or provision or supply of services or for the hire purchase, credit sale, leasing or licence of goods or services and including, in particular, those described in Schedule 2 of the Business Transfer Agreement, and **“Contract”** shall be construed accordingly
- “Directors”** : The directors of the Company for the time being
- “EGM”** : The extraordinary general meeting of the Company, notice of which is set out on page 16 of this Circular
- “EPS”** : Earnings per Share
- “Equipment”** : All the plant, machinery, spare parts, tools, equipment (including office equipment), tangible chattels (including computers), motor vehicles, furniture, fixtures and fittings owned and used by the Company in connection with the Business, including, in particular, those described in Schedule 3 of the Business Transfer Agreement
- “Group”** : The Company and its subsidiaries
- “Information”** : All information relating to the Business, including, without limitation, industrial and commercial information and techniques including (but not limited to) drawings, formulae, test reports, operating and testing procedures, shop practices, instruction manuals and tables of operating conditions and all information relating to the supply of any materials to the Business and to the marketing of any products or services supplied by the Business, including customer names and lists, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional materials
- “Latest Practicable Date”** : 30 March 2015, being the latest practicable date prior to the printing of this Circular
- “Notice of EGM”** : Notice of the EGM set out on page 16 of this Circular
- “NTA”** : Net tangible assets
- “Property”** : The lease in respect of the property located at 30 Gul Crescent, Singapore 629535

DEFINITIONS

“Proposed Business Transfer”	:	The proposed sale of the Transfer Assets in connection with the Business, by the Company to AP Oil Pte. Ltd., a wholly-owned subsidiary of the Company, on the terms and subject to the conditions of the Business Transfer Agreement, for the Consideration
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP (but not including a securities sub-account maintained with a Depository Agent) are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company, and “Share” shall be construed accordingly
“Stocks”	:	The stock-in-trade of the Business on the Transfer Date, including raw materials, components, work-in-progress and finished goods
“subsidiary”	:	A subsidiary of a company (as defined in Section 5 of the Companies Act), and “subsidiaries” shall be construed accordingly
“Substantial Shareholder”	:	In relation to the Company, a person who has an interest in one or more voting Shares, and the total votes attached to that Share or those Shares represent not less than five per cent. (5%) of the total votes attached to all the voting Shares in the Company, and “Substantial Shareholders” shall be construed accordingly
“Transfer Assets”	:	The assets in connection with the Business to be sold to the Transferee under the terms of the Business Transfer Agreement, comprising the items set out in Section 2.2 of this Circular
“Transfer Date”	:	2 May 2015 at 12.00 p.m. (or such other date and time as the Company and the Transferee may agree) and as set out in Section 2.6.3 of this Circular
“Transferee”	:	AP Oil Pte. Ltd., a wholly-owned subsidiary of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

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. References to persons shall include corporations.

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

Any reference to a time or a day in the Circular is a reference to the time and date in Singapore.

The headings in this Circular are inserted for convenience only and shall not affect the construction of this Circular.

Where any word or expression is defined in this Circular, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

Any discrepancies (if any) in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

AP OIL INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197502257M)

Directors

Dr. Ho Leng Woon
(Chairman, Managing Director and Chief Executive Officer)
Mdm. Lau Woon Chan
(Executive Director)
Mr. Ho Chee Hon
(Executive Director and Group Deputy Chief Executive Officer)
Mr. Chang Kwok Wah
(Executive Director)
Mr. Quah Ban Huat
(Independent and Non-Executive Director)
Mr. Tan Woon Hum
(Independent and Non-Executive Director)

Registered Office

30 Gul Crescent
Jurong
Singapore 629535

13 April 2015

To: The Shareholders of AP Oil International Limited

Dear Sir or Madam

THE PROPOSED SALE OF THE TRANSFER ASSETS (AS DEFINED HEREIN) IN CONNECTION WITH THE BUSINESS (AS DEFINED HEREIN) TO AP OIL PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

- 1.1 The directors of the Company (the “**Directors**”) propose to seek the approval of Shareholders at the extraordinary general meeting (the “**EGM**”) of AP Oil International Limited (the “**Company**”) to be held on 29 April 2015 for the proposed sale of the assets in connection with the business relating to the manufacturing and trading of lubricants and specialty chemicals (the “**Business**”), which comprises the items set out in Section 2.2 of this Circular (the “**Transfer Assets**”), by the Company to AP Oil Pte. Ltd. (the “**Transferee**”), a wholly-owned subsidiary of the Company as at 30 March 2015, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), on the terms and subject to the conditions of the Business Transfer Agreement dated 6 March 2015 entered into between the Transferee and the Company (the “**Business Transfer Agreement**”), for a consideration of S\$10,000,000 (the “**Consideration**”) which shall be satisfied on 2 May 2015 at 12.00 p.m. (or such other date and time as the Company and the Transferee may agree) and as set out in Section 2.6.3 of this Circular (the “**Transfer Date**”) by the issuance and allotment of 10,000,000 ordinary shares in the capital of the Transferee (credited as fully paid up) at the issue price of S\$1.00 per share by the Transferee to the Company (the “**Proposed Business Transfer**”).

LETTER TO SHAREHOLDERS

- 1.2 The Proposed Business Transfer constitutes a disposal of the whole or substantially the whole of the Company's property or undertaking under Section 160 of the Companies Act (Chapter 50) of Singapore, as amended or modified from time to time up to the Latest Practicable Date (the "**Companies Act**"), and is therefore subject to, and conditional upon, Shareholders' approval at the EGM which shall be sought by way of an ordinary resolution.
- 1.3 The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Business Transfer (including the rationale of the Proposed Business Transfer and the financial effects on the Company and its subsidiaries (the "**Group**")), details of which are set out in Section 2 of this Circular, and to seek Shareholders' approval in relation thereto at the EGM. The notice of EGM is set out on page 16 of this Circular (the "**Notice of EGM**").
- 1.4 The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED BUSINESS TRANSFER

2.1 Background

As announced by the board of Directors of the Company for the time being (the "**Board**") in the Company's announcement on the SGXNet in relation to the Proposed Business Transfer dated 6 March 2015 (the "**Announcement**"), the Company has entered into the Business Transfer Agreement with the Transferee to sell the Transfer Assets in connection with the Business to the Transferee, with a view to the Transferee carrying on the Business from the Transfer Date as a going concern in succession to the Company, for the Consideration, on the terms and subject to the conditions of the Business Transfer Agreement.

Upon completion of the Proposed Business Transfer, the Company's business activities shall be that of an investment holding company, whilst the Transferee (being a wholly-owned subsidiary of the Company) shall carry on with the Business.

Please see Section 2.6 of this Circular for details on the salient terms of the Business Transfer Agreement.

2.2 Information on the Transfer Assets in Connection with the Business

Subject to the satisfaction of the conditions which the Proposed Business Transfer is subject to, as set out in Section 2.6.1 of this Circular (the "**Conditions**"), the assets in connection with the Business to be sold to the Transferee under the terms of the Business Transfer Agreement shall comprise the following:

- (a) all the plant, machinery, spare parts, tools, equipment (including office equipment), tangible chattels (including computers), motor vehicles, furniture, fixtures and fittings owned and used by the Company in connection with the Business, including, in particular, those described in Schedule 3 of the Business Transfer Agreement (the "**Equipment**");

LETTER TO SHAREHOLDERS

- (b) the stock-in-trade of the Business on the Transfer Date, including raw materials, components, work-in-progress and finished goods (the “**Stocks**”) (valued based on their net book value, as reflected in the management accounts of the Company for the month ended 30 April 2015);
- (c) the benefit (subject to the burden) of all contracts and engagements entered into or orders made before the Transfer Date by or on behalf of the Company with third parties in connection with the Business which remain (in whole or in part) to be performed at the Transfer Date, including (but without limitation) all orders and contracts for the manufacture, sale or purchase of goods or provision or supply of services or for the hire purchase, credit sale, leasing or licence of goods or services and including, in particular, those described in Schedule 2 of the Business Transfer Agreement (the “**Contracts**”);
- (d) all information relating to the Business, including, without limitation, industrial and commercial information and techniques including (but not limited to) drawings, formulae, test reports, operating and testing procedures, shop practices, instruction manuals and tables of operating conditions and including all information relating to the supply of any materials to the Business and to the marketing of any products or services supplied by the Business, including customer names and lists, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional materials (the “**Information**”), records and other documents relating to the Business; and
- (e) such freely transferable cash funds equivalent to S\$10,000,000 less (a) S\$352,572 being the net book value of (i) the Equipment, (ii) the benefit (subject to the burden) of the Contracts, and (iii) all Information, records and other documents relating to the Business (collectively the “**Certain Assets**”); and (b) the Stocks determined based on their net book value, as reflected in the management accounts of the Company for the month ended 30 April 2015 and which shall be determined on the Transfer Date (collectively, the “**Cash Sum**”),

(collectively, the “**Transfer Assets**”).

The Transfer Assets is valued at S\$10,000,000, based on the terms and conditions in the Business Transfer Agreement for such computation. For the avoidance of doubt, the Transfer Assets comprise all assets associated with the Business, and the Company shall not be transferring any debts or any other obligations to the Transferee as part of the Proposed Business Transfer, save as described in the Business Transfer Agreement. The Proposed Business Transfer will not involve any compromise or arrangement with any creditors of the Company.

Under the terms of the Business Transfer Agreement, the Company shall sell the Transfer Assets free from all liens, charges and encumbrances and other rights exercisable by third parties. Property and risk in such Transfer Assets shall vest in the Transferee on the Transfer Date.

LETTER TO SHAREHOLDERS

2.3 Sub-lease of the Property

Subject to the satisfaction of the Conditions, the Company shall grant a sub-lease over the lease in respect of the property located at 30 Gul Crescent, Singapore 629535 (the “**Property**”), which shall expire on 31 March 2041, to the Transferee, for the purposes of allowing the Transferee to carry out the Business on the Property.

2.4 Information on the Transferee

As at the Latest Practicable Date, AP Oil Pte. Ltd. (being the Transferee) is a private limited company incorporated in Singapore on 19 November 2004, and is a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, the Transferee has an issued and paid up capital of S\$100,000, and is principally engaged in the business of: (i) the manufacture of petroleum lubricating oil, including the wholesale of oil and fuel and dealing in paraffin wax, lubricating oils and greases; and (ii) the wholesale of solid, liquid and gaseous fuels and related products (for example, bitumen), including petroleum products and petrochemicals.

As at the Latest Practicable Date, the Transferee has not undertaken any business activities for the current financial year ending 31 December 2015, but shall be involved in the operation of the Business following the completion of the Proposed Business Transfer.

2.5 Consideration for the Proposed Business Transfer

2.5.1 The Consideration payable by the Transferee for the Transfer Assets shall be the sum of S\$10,000,000, as follows:

- (a) the Certain Assets, S\$352,572 (determined based on their net book value as at 31 December 2014 as reflected in the Group’s unaudited consolidated financial statements for the financial year ended 31 December 2014);
- (b) the Stocks, an amount which shall be determined based on their net book value, as reflected in the management accounts of the Company for the month ended 30 April 2015; and
- (c) the Cash Sum.

2.5.2 The Cash Sum shall be determined on the Transfer Date taking into account the net book value of the Stocks as reflected in the management accounts of the Company for the month ended 30 April 2015.

2.5.3 The Consideration shall be satisfied by the Transferee on the Transfer Date through the issuance and allotment of 10,000,000 ordinary shares in the capital of the Transferee by the Transferee (credited as fully paid up) to the Company at the issue price of S\$1.00 per share.

LETTER TO SHAREHOLDERS

2.6 Salient Terms of the Business Transfer Agreement

2.6.1 Conditions Precedent

Under the terms of the Business Transfer Agreement, the Proposed Business Transfer is subject to the following conditions (collectively, the “**Conditions**”):

- (a) the Company having obtained all necessary approvals, waivers or consents as may be required for the Proposed Business Transfer, including, but not limited to, the approval by Shareholders pursuant to Section 160 of the Companies Act, the Notice of EGM for which is set out on page 16 of this Circular;
- (b) the Company having obtained the relevant consent from the Jurong Town Corporation for the sub-lease of the Property to the Transferee;
- (c) the Transferee having obtained all necessary approvals, waivers or consents as may be required for the issuance and allotment of the 10,000,000 ordinary shares in the capital of the Transferee under the terms and subject to the conditions of the Business Transfer Agreement; and
- (d) there being no material adverse change in the business, operations, assets, financial condition, trading position, turnover or prospects of the Company since the date of signing of the Business Transfer Agreement.

The Conditions shall be fulfilled by the Transfer Date. If any of the Conditions shall not be fulfilled by the Transfer Date or such other date as the Transferee and the Company shall mutually agree in writing, the Business Transfer Agreement shall *ipso facto* cease and determine and neither the Transferee nor the Company shall have any claim against the other for costs, damages, compensation or otherwise, save for any rights, claims or remedies available or already accrued to a party to the Business Transfer Agreement prior to termination.

2.6.2 Contracts

(A) From the Transfer Date, the Transferee shall:

- (a) be entitled to the benefit of the Contracts;
- (b) carry out, perform and complete all the obligations and liabilities to be discharged under the Contracts; and
- (c) indemnify the Company against all actions, proceedings, costs, damages, claims and demands in respect of any failure on the part of the Transferee to carry out, perform and complete those obligations and liabilities.

LETTER TO SHAREHOLDERS

- (B) Insofar as the benefit or burden of any of the Contracts cannot effectively be assigned to the Transferee except by an agreement or novation with or consent to the assignment from the person, firm or company concerned:
- (a) the Company shall use reasonable endeavours to procure the said novation or assignment;
 - (b) until the Contract is novated or assigned, the Company shall hold it on trust for the Transferee absolutely and the Transferee shall (if such sub-contracting is permissible and lawful under the Contract), as the Company's sub-contractor, perform all the obligations of the Company under the Contract to be discharged after the Transfer Date; and
 - (c) until the Contract is novated or assigned, the Company shall (so far as it lawfully may) give reasonable assistance to the Transferee to enable the Transferee to enforce its rights under the Contract.

2.6.3 Transfer Date

Against satisfaction of the Conditions (including Shareholders' approval for the Proposed Business Transfer at the EGM), the sale of the Transfer Assets shall take place on the Transfer Date (being 2 May 2015 at 12.00 p.m.) (or such other date and time as the Company and the Transferee may agree).

Subject to satisfaction of the Conditions, the Company shall on the Transfer Date:

- (a) let the Transferee into possession of the Transfer Assets and occupation of the Property;
- (b) sub-lease to the Transferee the Property and deliver to the Transferee the relevant lease documents; and
- (c) deliver to the Transferee assignments or novation agreements in respect of the Contracts and the Information and all other records, documents, lists, catalogues, literature and material as are included in, or relate to, the Transfer Assets.

Against the performance by the Company of its obligations set out above, the Transferee shall pay the Consideration to the Company pursuant to the terms of the Business Transfer Agreement.

2.6.4 Employees

Under the terms of the Business Transfer Agreement, the Company shall make arrangements for the employees who are engaged in the Business to be employed by the Transferee.

LETTER TO SHAREHOLDERS

2.7 Rationale for and Benefits of the Proposed Business Transfer

The Board, after careful consideration, is of the view that it is in the best interests of the Group to undertake the Proposed Business Transfer, as it is in line with the Group's on-going strategy to streamline its corporate structure and business activities within the Group. Following the Proposed Business Transfer, all operational activities of the Company will be carried out through the Company's relevant subsidiaries. The Company will remain as a listed company, and its business activities will be investment holding.

Upon completion of the Proposed Business Transfer, the Transferee will remain as a wholly-owned subsidiary of the Company and will carry on with the Business as a going concern.

Taking into account the above, together with the current operating conditions and the prospects of the Business, the Board, after careful consideration, is of the view that the Proposed Business Transfer is in the best interests of the Group.

2.8 Financial Effects of the Proposed Business Transfer

The Proposed Business Transfer was financed through internal resources and is not expected to have any impact on the net tangible assets per Share, assuming that the Proposed Business Transfer had been completed on 31 December 2014, and the earnings per Share, assuming that the Proposed Business Transfer had been completed on 1 January 2014.

The *pro forma* financial effects of the Proposed Business Transfer on the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014. These *pro forma* financial effects are purely for illustrative purposes only and do not reflect the future actual financial position and results of the Group after the completion of the Proposed Business Transfer.

(A) Net Tangible Assets ("NTA")

Assuming that the Proposed Business Transfer had been completed on 31 December 2014, the Proposed Business Transfer would not have any effect on the NTA per Share as at 31 December 2014, as illustrated below:

	Before the Proposed Business Transfer	After the Proposed Business Transfer
NTA (S\$'000)	46,346	46,346
Number of ordinary shares in the capital of the Company (the "Shares")	164,531,172	164,531,172
NTA per Share (cents)	28.17	28.17

LETTER TO SHAREHOLDERS

(B) Earnings per Share (“EPS”)

Assuming that the Proposed Business Transfer had been completed on 1 January 2014, the Proposed Business Transfer would not have any effect on the EPS for the financial year ended 31 December 2014, as illustrated below:

	Before the Proposed Business Transfer	After the Proposed Business Transfer
Profit/(Loss) attributable to Shareholders (S\$'000)	4,995	4,995
Number of Shares	164,531,172	164,531,172
EPS (cents)	3.04	3.04

3. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SHARES

3.1 The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on information in the register of Directors’ shareholding interests in the Company and the register of Substantial Shareholders’ shareholding interests in the Company as maintained pursuant to the Companies Act, were as follows:

Director	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Ho Leng Woon ⁽¹⁾	61,406,250	37.32	17,531,250	10.66
Lau Woon Chan	17,531,250	10.66	61,406,250	37.32
Ho Chee Hon	3,168,937	1.93	–	–
Chang Kwok Wah	41,250	0.03	–	–
Quah Ban Huat	–	–	–	–
Tan Woon Hum	–	–	–	–
Substantial Shareholder				
Ho Leng Woon ⁽¹⁾	61,406,250	37.32	17,531,250	10.66
Lau Woon Chan	17,531,250	10.66	61,406,250	37.32

Note:

(1) Dr. Ho Leng Woon is the husband of Mdm. Lau Woon Chan. They are deemed to be interested in the Shares held by each other.

3.2 As at the Latest Practicable Date, save for their respective directorships and shareholdings in the Company as disclosed in Section 3.1, if any, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Business Transfer.

LETTER TO SHAREHOLDERS

4. DIRECTORS' RECOMMENDATION

- 4.1 For the reasons set out in Section 2.7 of this Circular above, the Directors, having considered and reviewed the terms of the Business Transfer Agreement, the rationale for and the financial effects of the Proposed Business Transfer and all other relevant facts set out in this Circular, are collectively of the opinion that the Proposed Business Transfer is in the best interests of the Company and the Group, and accordingly recommend that Shareholders vote in favour of the ordinary resolution set out in the Notice of EGM relating to the Proposed Business Transfer at the EGM.
- 4.2 Shareholders are advised to read this Circular in its entirety, in particular, the rationale for and the financial effects of the Proposed Business Transfer, and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 16 of this Circular, will be held at 18 Pioneer Sector 1, Jurong, Singapore 626428 on 29 April 2015 at 3.30 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification, the ordinary resolution set out in the Notice of EGM.

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 on their behalf, should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with its printed instructions as soon as possible and in any event, so as to arrive at the registered office of the Company not less than **forty-eight (48) hours** before the time fixed for holding the EGM. The completion and return of the Proxy Form will not prevent the Shareholder from attending and voting at the EGM, if he so wishes, in place of his proxy, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- 6.2 A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat, unless his name appears on the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**") at least **forty-eight (48) hours** before the time fixed for holding the EGM.

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 Business Transfer and about the Group which are relevant to the Proposed Business Transfer, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

LETTER TO SHAREHOLDERS

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

8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 30 Gul Crescent, Jurong, Singapore 629535, during normal business hours for a period of three months commencing from the date of the Announcement:

- (a) the annual report of the Company for the financial year ended 31 December 2014;
- (b) the Memorandum and Articles of Association of the Company; and
- (c) the Business Transfer Agreement entered into between the Company and the Transferee dated 6 March 2015 in relation to the Proposed Business Transfer.

Yours faithfully,
For and on behalf of the Board of Directors of
AP Oil International Limited

Dr. Ho Leng Woon
Chairman, Chief Executive Officer and Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

AP OIL INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197502257M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of AP Oil International Limited (the “**Company**”) will be held at 18 Pioneer Sector 1, Jurong, Singapore 626428 on 29 April 2015 at 3.30 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution, which will be proposed as an ordinary resolution. All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular dated 13 April 2015 to the shareholders of the Company.

THE PROPOSED SALE OF THE TRANSFER ASSETS (AS DEFINED HEREIN) IN CONNECTION WITH THE BUSINESS (AS DEFINED HEREIN) TO AP OIL PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

THAT,

- (a) approval be and is hereby given, including for the purposes of Section 160 of the Companies Act (Chapter 50) of Singapore, to the Company to sell the assets (the “**Transfer Assets**”) in connection with the business of manufacturing and trading of lubricants and specialty chemicals (the “**Business**”), representing the whole or substantially the whole of the Company’s property or undertaking, to AP Oil Pte. Ltd. (the “**Transferee**”), a wholly-owned subsidiary of the Company, on the terms and subject to the conditions of the business transfer agreement dated 6 March 2015 entered into between the Company and the Transferee (the “**Business Transfer Agreement**”), and the actions and transactions contemplated thereby (the “**Proposed Business Transfer**”); and
- (b) the directors of the Company (collectively, the “**Directors**”) and any of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the Proposed Business Transfer and this ordinary resolution and the actions and transactions contemplated by the Proposed Business Transfer and this ordinary resolution.

By Order of the Board
Mdm. Lau Woon Chan
Mr. Ho Chee Hon
Company Secretaries

Singapore
13 April 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Company's registered office at 30 Gul Crescent, Jurong, Singapore 629535 not less than **forty-eight (48) hours** before the time fixed for holding the EGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy (or proxies) 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, 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**"); and (ii) warrants that where the member discloses the personal data of the member's proxy (or proxies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy (or proxies) 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.

AP OIL INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197502257M)

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the extraordinary general meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)
being a member/members of AP Oil International Limited (the "**Company**"), hereby appoint(s):

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting (the "**EGM**") as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll at the EGM of the Company to be held at 18 Pioneer Sector 1, Jurong, Singapore 626428 on 29 April 2015 at 3.30 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the ordinary resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

	For	Against
To approve the Proposed Business Transfer to AP Oil Pte. Ltd., a wholly-owned subsidiary of the Company		

Dated this _____ day of _____ 2015

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS 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 130A of the Companies Act (Chapter 50) 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. However, 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 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 appoints two proxies, the proportion of the shareholding interest concerned to be represented by each proxy shall be specified in the Proxy Form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding interest and the second named proxy shall be deemed to be an alternative to the first named proxy.
4. 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.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 30 Gul Crescent, Jurong, Singapore 629535, not less than **forty-eight (48) hours** before the time fixed for holding the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (unless previously registered with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. 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 Shareholders (as defined in the Notice of EGM) whose Shares are entered against their names 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 **forty-eight (48) hours** before the time fixed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the EGM as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the Company's registered office at 30 Gul Crescent, Jurong, Singapore 629535 at least **forty-eight (48) hours** before the time fixed for holding the EGM.

Personal Data Privacy:

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