



TEXCHEM RESOURCES BHD.

(Company Registration No. 16318-K)
(Incorporated in Malaysia)

Date: 8 March 2016

To: The Dissenting and Non-Assenting Shareholders of Texchem-Pack Holdings (S) Ltd.

Dear Sir / Madam,

COMPULSORY ACQUISITION OF SHARES IN TEXCHEM-PACK HOLDINGS (S) LTD. (THE "COMPANY") PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50) (THE "COMPANIES ACT") BY TEXCHEM RESOURCES BHD. (THE "OFFEROR") AND SHAREHOLDERS' RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1. **Exit Offer.** The Offeror refers to the exit offer letter dated 28 January 2016 (the "**Exit Offer Letter**") in relation to:

- (a) the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") directing the delisting of the Company pursuant to Rule 1315 of the Listing Manual of the SGX-ST (the "**Listing Manual**") and directing the Company or its controlling shareholder to comply with Rules 1306 and 1309 of the Listing Manual to provide a reasonable exit offer to the shareholders of the Company (the "**Shareholders**"); and
- (b) the exit cash offer (the "**Exit Offer**") by the Offeror to acquire all the issued ordinary shares in the capital of the Company (the "**Shares**"), other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer.

Unless otherwise defined or the context otherwise requires, capitalised terms used in this letter (the "**Letter**") shall have the same meaning as defined in the Exit Offer Letter.

1.2. **Acceptances as at 23 February 2016.** On 24 February 2016, the Offeror announced that as at 5.00 p.m. (Singapore time) on 23 February 2016, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, and (b) valid acceptances of the Exit Offer, amount to an aggregate of 134,627,562 Shares, representing approximately 97.05% of the total number of issued Shares¹.

1.3. **Close of Exit Offer.** On 25 February 2016, the Offeror announced that the Exit Offer had closed at 5.30 p.m. (Singapore time) on 25 February 2016. Accordingly, the Exit Offer is no longer open for acceptance and any acceptances received thereafter will be rejected.

As at the close of the Exit Offer, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, and (b) valid acceptances of the Exit Offer, amount to an aggregate of 135,533,562 Shares, representing approximately 97.71% of the total number of issued Shares.

1.4. **Right of Compulsory Acquisition.** As the Offeror had received valid acceptances pursuant to the Exit Offer in respect of not less than 90% of the Shares in issue (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the

¹ In this Letter, unless otherwise stated, all references to the total number of issued Shares shall be to 138,715,562 Shares and all percentage shareholdings are rounded to the nearest 2 decimal places. Accordingly, figures shown as percentages may not be an arithmetic aggregation of the figures that precede them.

Exit Offer Letter), the Offeror is entitled and, as stated in the Exit Offer Letter and as announced by the Offeror on 24 February 2016, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Price of S\$0.105 in cash for each Share and on the same terms as those offered under the Exit Offer.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

- 2.1. **Dissenting Shareholder.** According to the records maintained by The Central Depository (Pte) Limited (the “**CDP**”), as at 5.30 p.m. (Singapore time) on 25 February 2016, you have not accepted the Exit Offer in respect of your Shares and/or your Shares have not been acquired by the Offeror as at the date of this Letter. Accordingly, the Offeror is writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all your Shares at a consideration of S\$0.105 in cash for each Share (the “**Consideration**”) and on the same terms as those offered under the Exit Offer. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (the “**Form 57**”).

If you have already accepted the Exit Offer in respect of all your Shares by completing and returning a valid Acceptance Form prior to the close of the Exit Offer, please disregard this Letter and the accompanying Form 57 and Form 58 (as defined below).

- 2.2. **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition to acquire all your Shares on or after 11 April 2016 (the “**Transfer Date**”), being the market day after the expiration of one (1) month after the date of the enclosed Form 57, subject to and on the terms set out in the enclosed Form 57, and the provisions of Section 215(4) of the Companies Act.
- 2.3. **Registration of Transfer.** Upon payment of the Consideration by the Offeror to the Company, the Company will as soon as practicable cause all the Shares held by you to be transferred to the Offeror and will register the Offeror as the holder of all those Shares. The Consideration will be credited by the Company into a separate bank account and held by the Company on trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.4 below.
- 2.4. **Settlement.** Subject to and in accordance with the provisions of Sections 215(1) and 215(4) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date, CDP will, on behalf of the Company, despatch remittances in the form of Singapore dollar cheques for the appropriate amount of the Consideration payable in respect of your Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or in such other manner as you may have agreed with CDP for the payment of any cash distributions.
- 2.5. **No Action Required.** No action needs to be taken by you in relation to the Form 57 to effect the transfer of your Shares and to entitle you to payment of the Consideration for your Shares, which payment will be made to you in accordance with paragraphs 2.3 and 2.4 above.

3. SHAREHOLDERS’ RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

- 3.1. **Non-Assenting Shareholder.** As the Offeror has received valid acceptances pursuant to the Exit Offer, which, together with Shares held by the Offeror, its related corporations or their respective nominees, comprise not less than 90% of the total number of issued Shares, it should be noted that Shareholders who failed or refused to accept the Exit Offer (the “**Non-Assenting Shareholders**”) have the right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price of S\$0.105 in cash for each Share and on the same terms as those offered under the Exit Offer by serving notice requiring the Offeror to do so. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (the “**Form 58**”) addressed to you is enclosed with this Letter. You may, within three (3) months from the date of the Form 58 (that is, by 8 June 2016), give notice requiring the Offeror to acquire your Shares at the Offer Price of S\$0.105 in cash for each Share and on the same terms as those offered under the Exit Offer and the Offeror shall be entitled and bound to acquire your Shares accordingly.

- 3.2. **No Action Required.** As the Offeror would be proceeding to compulsorily acquire your Shares on the terms set out in the enclosed Form 57 pursuant to Section 215(1) of the Companies Act, you need not take any action in relation to the Form 58. Shareholders who wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

4. **GENERAL**

If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or otherwise transferred any or all of your Shares, please forward this Letter and the accompanying Form 57 and Form 58 immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

5. **RESPONSIBILITY STATEMENT**

The directors of the Offeror (including any director who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and that no material facts have been omitted from this Letter, the omission of which would make any statement in this Letter misleading in any material respect. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information in this Letter has been extracted from published or publicly available sources (including, without limitation, in relation to the Company and its subsidiaries), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Letter.

Yours faithfully,
for and on behalf of Texchem Resources Bhd.

Brian Tan Guan Hooi
President & Group Chief Executive Officer

