

CIRCULAR DATED 15 APRIL 2015

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

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Shares, you should forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. The approval-in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/ or its subsidiaries.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section entitled “**Definitions**”.



MULTI-CHEM LIMITED

(Incorporated in the Republic of Singapore on 7 February 1985)
(Company Registration Number: 198500318Z)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED CONSOLIDATION OF EVERY FOUR (4) SHARES OF
THE COMPANY INTO ONE (1) CONSOLIDATED SHARE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 28 April 2015 at 12.00 p.m.

Date and time of Extraordinary General Meeting : 30 April 2015 at 12.00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 11.30 a.m. on the same day and at the same place)

Venue of Extraordinary General Meeting : 18 Boon Lay Way, #04-110 Tradehub 21
Singapore 609966

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DEFINITIONS

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

“AGM”	: Annual general meeting of the Company
“Books Closure Date”	: Subject to Shareholders’ approval for the Proposed Share Consolidation to be passed at the EGM and approval by the SGX-ST for the Proposed Share Consolidation, the date and time to be determined by the Directors, at and on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 15 April 2015
“Companies Act”	: The Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time
“Company”	: Multi-Chem Limited
“Consolidated Shares”	: Shares following the Proposed Share Consolidation
“Directors”	: The directors of the Company, including alternate directors of the Company (if any), from time to time (collectively, the “Board of Directors”)
“Effective Trading Date”	: Has the meaning ascribed to it in paragraph 2.4 of this Circular
“EGM” or “Extraordinary General Meeting”	: The extraordinary general meeting of the Company to be held on 30 April 2015 at 12.00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 11.30 a.m. on the same day and at the same place), notice of which is set out in the Notice of EGM as appended to this Circular
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 2 April 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended or modified from time to time
“Main Board”	: The Main Board of the SGX-ST
“MTP”	: Minimum trading price
“Market Day”	: A day on which the SGX-ST is open for trading in securities

DEFINITIONS

“New Share Certificates”	: Share certificates for the Consolidated Shares
“Notice of EGM”	: The notice of EGM set out on page 17 of this Circular
“Old Share Certificates”	: Share certificates for the Shares
“Proposed Share Consolidation”	: The proposed consolidation of every four (4) Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded without compensation to the affected Shareholders
“Register of Directors’ Shareholdings”	: Register of Directors’ shareholdings
“Register of Members”	: Register of members of the Company
“Securities Account”	: A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Share Registrar”	: M & C Services Private Limited located at 112 Robinson Road, #05-01, Singapore 068902
“Shareholders”	: Registered holders of Shares in the Register of Members, or where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Shares
“Shares”	: Ordinary shares in the issued share capital of the Company
“Substantial Shareholder”	: A person who has an interest directly or indirectly in five per cent (5.00%) or more of the total number of Shares
“VWAP”	Volume-weighted average price
“S\$”	: The lawful currency of the Republic of Singapore
“%” or “per cent.”	: Percentage or per centum

The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term **“subsidiary”** has the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

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. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof as the case may be, unless the context requires otherwise.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any discrepancies in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

MULTI-CHEM LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198500318Z)

Board of Directors

Lim Keng Jin	Non-Executive Chairman and Independent Director
Foo Suan Sai	Chief Executive Officer and Executive Director
Han Juat Hoon	Chief Operating Officer and Executive Director
Wong Meng Yeng	Independent Director
Neo Mok Choon	Independent Director
Foo Maw Shen	Independent Director

Registered Office:

16H Enterprise Road
Singapore 627657

Date: 15 April 2015

To: The Shareholders

Dear Sir/ Madam,

THE PROPOSED CONSOLIDATION OF EVERY FOUR (4) SHARES OF THE COMPANY INTO ONE (1) CONSOLIDATED SHARE

1. INTRODUCTION

1.1. Proposed Share Consolidation

The Directors propose to convene the EGM to seek Shareholders' approval for the Proposed Share Consolidation.

The Proposed Share Consolidation is subject to:

- (a) the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Main Board having been obtained; and
- (b) the Proposed Share Consolidation being approved by Shareholders at the EGM by way of an ordinary resolution.

1.2. Circular

The purpose of this Circular is to provide Shareholders with information in respect of the Proposed Share Consolidation and to seek Shareholders' approval in respect of the same at the EGM, the notice of which is set out in the Notice of EGM.

1.3. **SGX-ST**

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED SHARE CONSOLIDATION

2.1. The Proposed Share Consolidation

The Company is seeking Shareholders' approval at the EGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every four (4) Shares into one (1) Consolidated Share. Accordingly, under the Proposed Share Consolidation, every four (4) Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share.

Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares.

As at the Latest Practicable Date, the Company has an issued share capital of S\$37,287,387 divided into 360,381,150 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$37,287,387 divided into approximately 90,095,287 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and all fractional entitlements arising from the Proposed Share Consolidation will be disregarded without compensation to the affected Shareholders.

Shareholders holding less than four (4) existing Shares as at the Books Closure Date will not be entitled to participate in the Proposed Share Consolidation and will not be entitled to any Consolidated Shares. Such Shareholders will no longer be Shareholders upon completion of the Proposed Share Consolidation. No allotment of the Consolidated Shares will be made to such Shareholders. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional existing Shares so as to increase the number of existing Shares held to a multiple of four (4) existing Shares prior to the Books Closure Date.

For illustrative purposes:

- (a) if a Shareholder holds 101 Shares as at the Books Closure Date, following the Proposed Share Consolidation and rounding down to the nearest whole Consolidated Share and disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation, such Shareholder will be entitled to 25 Consolidated Shares; and

- (b) if a Shareholder holds two (2) Shares as at the Books Closure Date, following the Proposed Share Consolidation and rounding down to the nearest whole Consolidated Share and disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation, such Shareholder **will not** be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation.

Shareholders should note that the Proposed Share Consolidation could result in odd lots and Shareholders holding odd lots of Consolidated Shares could face practical difficulties with their Consolidated Shares. To mitigate the impact of such difficulties, the Company has made arrangements for the trading of odd lots of the Consolidated Shares, information of which has been provided in paragraph 2.6 of this Circular.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results as stated in paragraphs 2.2 and 2.3 of this Circular, nor is there assurance that such results (if achieved) can be sustained in the longer term.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

2.2. Rationale for the Proposed Share Consolidation

In August 2014, the Monetary Authority of Singapore and the SGX-ST announced the introduction of a MTP requirement at a threshold of S\$0.20 for the shares of issuers listed on the Main Board.

The MTP, which is scheduled to take effect in March 2015, is assessed based on a six (6)-month VWAP, which will be reviewed in quarterly intervals. Issuers that are unable to record a six (6)-month VWAP of S\$0.20 or above at each of the quarterly reviews will be placed on a watch-list, and will be involuntarily delisted if they are unable to meet the MTP requirement within a 36-month cure period. A one (1)-time transition period of 12 months from the date of introduction of the MTP requirement will be given to affected issuers to undertake corporate actions to meet the new requirement, and such companies will only be placed on the watch-list if it is unable to meet the MTP requirement after this 12-month transition period.

LETTER TO SHAREHOLDERS

Prior to the Company's issuance of the announcement on the Proposed Share Consolidation on 12 February 2015, the Company's shares were trading at the absolute price range of S\$0.144 and S\$0.164 for the period from 1 October 2014 to 31 March 2015. The share consolidation ratio of four (4) Shares to one (1) Consolidated Share will raise the Company's six (6)-month VWAP for October 2014 to March 2015 from \$0.146 to \$0.583. As such, the Company is seeking to undertake the Proposed Share Consolidation for the purpose of raising the minimum theoretical share price so as to ensure continued compliance with the MTP requirement. The Directors are of the view that the share consolidation ratio should provide a sufficient buffer to cater to fluctuations in the share price.

The relevant data, along with the transacted volume of the Shares for each month are as follows:

	Lowest (Singapore cents)	Highest (Singapore cents)	Volume of traded Shares ('000)	Percentage fluctuation between the lowest and highest market price (%)
October 2014	14.4	16.4	276	13.9
November 2014	14.5	14.6	523	0.7
December 2014	14.5	14.5	218	0
January 2015	14.5	14.8	339	2.1
February 2015	14.6	14.8	603	1.4
March 2015	14.6	14.8	518	1.4

Source: UOB Kay Hian

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation, thereby allowing the Company to meet the MTP requirements. This will also reduce the fluctuation in magnitude of the Company's Share price and market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

2.3. Financial Effects of the Proposed Share Consolidation

The financial effects of the Proposed Share Consolidation as presented herein are:

- (a) purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Group after the Proposed Share Consolidation;
- (b) based on the unaudited consolidated financial statements of the Group from 1 January 2014 to 31 December 2014 as announced by the Company on 5 February 2015 and the number of Shares as at 31 December 2014; and

LETTER TO SHAREHOLDERS

- (c) assuming that the Proposed Share Consolidation had been completed on 1 January 2014.

(i) Share Capital

	As at 31 December 2014	
Issued and Paid-up Share Capital	No. of Shares	S\$
Before the Proposed Share Consolidation	360,381,150	37,287,387
After the Proposed Share Consolidation	90,095,287	37,287,387

(ii) NAV per Share

	Group	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
NAV (S\$'000)	86,526	86,526
Number of paid-up Shares	360,381,150	90,095,287
NAV per Share (Singapore cents)	24.01	96.04

(iii) EPS

	Group	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Profit after taxation and minority interests (S\$'000)	4,840	4,840
Number of paid-up Shares	360,381,150	90,095,287
Weighted average number of Shares during the financial year	360,381,150	90,095,287
EPS (Singapore cents) ⁽¹⁾	1.34	5.37

Note:

- (1) Basic earnings per Share is calculated by dividing the Group's profit after income tax attributable to the owners of the Company's parent company by the weighted average of the Shares during the financial year.

(iv) Gearing

The Proposed Share Consolidation will not have an impact on the gearing of the Group and the Company.

2.4. **Conditions of the Proposed Share Consolidation**

The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM; and the receipt of the approval-in-principle from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Main Board.

On 30 March 2015, the Company received the approval-in-principle for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST subject to:

- (a) Shareholders' approval for the Proposed Share Consolidation being obtained at the EGM; and
- (b) compliance with the listing requirements of the SGX-ST.

Such approval is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

An announcement will be made by the Company to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares (the "**Effective Trading Date**") as well as the Books Closure Date in due course.

2.5. **Updating of Register of Members and Depository Register**

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be determined on the Books Closure Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date. Trading will be in board lots of 100 Consolidated Shares on the Effective Trading Date.

(a) **Deposit of Share Certificates with CDP**

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares (after the Proposed Share Consolidation) credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept deposit of New Share Certificates.

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, for cancellation and issue of the New Share Certificates in replacement thereof as described below.

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The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

(b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least 12 Market Days prior to the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the issue of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates at least 12 Market Days prior to the Books Closure Date or who do not wish to deposit their Old Share Certificates with CDP are advised to deliver all their Old Share Certificates to the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar for the receipt of the Old Share Certificates tendered.

The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this paragraph 2.5 only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Please notify the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, if you have lost any of your Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

(c) Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders are reminded that their Old Share Certificates will not be valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

2.6. Trading Arrangements for the Shares and for Odd Lots

(a) Trading Arrangements for the Shares

Subject to Shareholders' approval for the Proposed Share Consolidation at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, every four (4) Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) Trading Arrangements for Odd Lots of Consolidated Shares

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be disregarded without compensation to the affected Shareholders. The Company shall, where necessary, consult its legal and/or financial adviser(s) when dealing with the fractional entitlements.

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

LETTER TO SHAREHOLDERS

To minimise the problems arising from odd lots as a result of the Proposed Share Consolidation, the Company has submitted an application to the SGX-ST for a temporary odd-lot trading counter to include a new trading board lot size of one (1) Consolidated Share per board lot in the ready market for a period of two (2) months following the completion of the Proposed Share Consolidation. The temporary counter is provisional in nature. The Company will update Shareholders on the outcome of this application through the release of an announcement on SGXNET.

2.7. Directors' and Substantial Shareholders' Interests

Directors' interests

The shareholdings of the Directors, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Lim Keng Jin	-	-	-	-	-	-
Foo Suan Sai	143,238,500	39.75	101,380,500	28.13	244,619,000	67.88
Han Juat Hoon	101,380,500	28.13	143,238,500	39.75	244,619,000	67.88
Wong Meng Yeng	34,000	0.009	-	-	34,000	0.009
Neo Mok Choon	-	-	1,490,000	0.41	1,490,000	0.41
Foo Maw Shen	-	-	-	-	-	-

Note:

(1) Based on 360,381,150 Shares as at the Latest Practicable Date.

Substantial Shareholders' interests

The shareholdings of the Substantial Shareholders, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Foo Suan Sai	143,238,500	39.75	101,380,500	28.13	244,619,000	67.88
Han Juat Hoon	101,380,500	28.13	143,238,500	39.75	244,619,000	67.88
Yaowalak Phoowarachai	42,672,000	11.84	-	-	42,672,000	11.84

Note:

(1) Based on 360,381,150 Shares as at the Latest Practicable Date.

3. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Proposed Share Consolidation is in the interests of the Company. Accordingly, they recommend that Shareholders **vote in favour** of the ordinary resolution in respect of the Proposed Share Consolidation set out in the EGM notice.

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in the Notice of EGM in this Circular, will be held on 30 April 2015 for the purpose of considering and, if thought fit, passing with or without modifications the resolution set out therein.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

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 attached Proxy Form in accordance with the instructions printed thereon and as soon as possible and, in any event, so as to arrive at the registered office of the Company at 16H Enterprise Road, Singapore 627657 not less than 48 hours before the time set for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so, in place of his proxy.

6. 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 Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. 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.

LETTER TO SHAREHOLDERS

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 16H Enterprise Road, Singapore 627657 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated financial statements for the year ended 31 December 2014; and
- (b) the annual report for the year ended 2014.

Yours faithfully

For and on behalf of the Board of Directors of
Multi-Chem Limited

Foo Suan Sai
Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

MULTI-CHEM LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198500318Z)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Multi-Chem Limited (the “**Company**”) will be held at **12.00 p.m.** on 30 April 2015 at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 11.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution which will be proposed as an Ordinary Resolution:

Please note that unless otherwise defined, all capitalised terms used in this Notice bear the same meanings as ascribed to them in the Company’s circular to Shareholders (copies of which have been dispatched to Shareholders) dated 15 April 2015.

ORDINARY RESOLUTION

THE PROPOSED SHARE CONSOLIDATION

THAT:

- (a) the proposed consolidation of every four (4) Shares held by Shareholders as at the Books Closure Date, into one (1) Consolidated Share be and is hereby approved;
- (b) all fractional entitlements arising from the Proposed Share Consolidation will be disregarded without compensation to the affected Shareholders;
- (c) the Directors be and are hereby authorised to fix the Books Closure Date and the Effective Trading Date in their absolute discretion as they deem fit; and
- (d) the Directors and any of them be and are hereby authorised to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient for the purposes of or to give effect to this resolution and implement any of the foregoing as they think fit and in the interests of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

Foo Suan Sai

Chief Executive Officer and Executive Director

15 April 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A Shareholder entitled to attend and vote at the EGM is entitled to appoint any number of proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder.
- (2) Where a Shareholder appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100.00% of the shareholding and the second/other named proxy/proxies shall be deemed to be an alternate to the first named.
- (3) A corporation which is a Shareholder 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.
- (4) The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), duly executed, must be deposited at the registered office of the Company at 16H Enterprise Road, Singapore 627657 not less than 48 hours before the time appointed for holding the EGM or any postponement or adjournment thereof.
- (5) The instrument appointing a proxy or proxies must be signed by the appointer or his/her 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 common seal or under the hand of any officer or attorney duly authorised.
- (6) A Depositor's name must appear on the Depository Register maintained by the CDP at least 48 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Personal data privacy

*By lodging an instrument appointing a proxy(ies) and/or representative(s), a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (and its agents) for the purpose of the processing and administration by the Company (and 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 (and its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (and its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.*

PROXY FORM

MULTI-CHEM LIMITED

(Company Registration Number: 198500318Z)

(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf
before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy ordinary shares in the capital of the Company, the Circular to Shareholders dated 15 April 2015 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.

Personal data privacy

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 April 2015.

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

of _____ (Address)

being a member/members of **MULTI-CHEM LIMITED** (the “**Company**”), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her or both of the persons mentioned above, the Chairman of the Meeting, as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary to demand a poll, at the Extraordinary General Meeting of the Company to be held at 12.00 p.m., on 30 April 2015 at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 11.30 a.m. on the same day and at the same place).

(Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the special and ordinary resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, your proxy/proxies will vote or abstain from voting as he/she/they may think fit at his/her/their discretion, as he/she/they will on any other matters arising at the Extraordinary General Meeting and any adjournment thereof.).

Resolution	To be used on a show hands		To be used in the event of a poll	
	For	Against	For	Against
Ordinary Resolution To approve the Proposed Share Consolidation				

* If you wish to exercise all your votes ‘For’ or ‘Against’, please indicate an ‘X’ within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

NOTES:

- (1) Please insert the total number of ordinary shares in the issued share capital of the Company (the “**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 (the “**Companies Act**”)), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company (the “**Register of Members**”), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and 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, this form of proxy will be deemed to relate to all the Shares held by you.
- (2) A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the extraordinary general meeting (the “**EGM**”) is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy need not be a Shareholder.
- (3) Where a Shareholder appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or percentage is specified, the first named proxy shall be deemed to represent 100.00% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (4) A corporation which is a Shareholder 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.
- (5) The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), duly executed, must be deposited at the registered office of the Company at 16H Enterprise Road, Singapore 627657 not less than 48 hours before the time appointed for holding the EGM or any postponement or adjournment thereof.
- (6) The instrument appointing a proxy or proxies must be signed by the appointor or his/her 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 common seal or under the hand of any officer or attorney duly authorised.
- (7) Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (8) The submission of an instrument or form appointing a proxy by a Shareholder does not preclude him/her from attending and voting in person at the EGM if he/she so wishes.
- (9) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register maintained by the CDP at least 48 hours before the time appointed for holding the EGM.