



SAMURAI 2K AEROSOL LIMITED
(Company Registration Number 201606168C)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 10,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF SAMURAI 2K AEROSOL LIMITED AT S\$1.008 PER SHARE

INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Samurai 2K Aerosol Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 27 November 2017 entered into a placement agreement (the “**Placement Agreement**”) with UOB Kay Hian Private Limited as the placement agent (the “**Placement Agent**”).

Pursuant to the Placement Agreement, the Company has agreed to offer and the Placement Agent has agreed, on a best efforts basis, to procure subscriptions for up to 10,000,000 new ordinary shares (the “**Placement Shares**”) in the capital of the Company at a price of S\$1.008 (the “**Placement Price**”) for each Placement Share (the “**Proposed Placement**”).

As at the date hereof, the Company has an issued share capital comprising 100,000,000 ordinary shares (“**Shares**”). Assuming that the Placement Shares are fully subscribed, the Placement Shares to be issued represent 10.0% of the existing issued share capital of the Company and approximately 9.1% of the enlarged issued share capital of the Company on completion of the Proposed Placement.

PROPOSED PLACEMENT

The Placement Price represents a discount of 9.9% to the volume weighted average price of S\$1.1191 per Share based on the trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 22 November 2017, being the last full market day before a trading halt of the Shares was effected from 23 November 2017.

The Placement Shares will, upon allotment and issue, rank in all respects *pari passu* with the then existing issued Shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto, save that they will not rank for any dividends, rights, distributions, allotments and other entitlements, the record date in respect of which falls before the date of issue of the Placement Shares.

The Placement Shares will not be offered for subscription to, nor will subscriptions be procured from, any person who is a director or substantial shareholder of the Company or other persons specified in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”), save for the exceptions specified in Rule 812(3) or unless otherwise agreed to by the SGX-ST. In addition, the Placement Shares to be issued under the Proposed Placement will not be issued so as to transfer a controlling interest in the Company without the prior approval of shareholders of the Company (“**Shareholders**”) in a general meeting pursuant to Rule 803 of the Catalist Rules.

CONDITIONS PRECEDENT

The completion of the Proposed Placement (the “**Completion**”) under the Placement Agreement is conditional upon, *inter alia*:

- (a) the exemption under Section 277 of the Securities and Futures Act (Chapter 289) being applicable to the Proposed Placement, with the offer information statement being lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the “MAS”), in accordance with the Catalist Rules;
- (b) the listing and quotation notice being obtained from the SGX-ST for the listing and quotation of the Placement Shares on Catalist and such approval not having been revoked or amended and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the Placement Agent and, to the extent that any conditions for such approval are required to be fulfilled on or before the date of Completion, they are so fulfilled;
- (c) the compliance by the Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the listing and quotation notice (if any), where such conditions are required to be complied with by the date of Completion; and
- (d) the allotment and issue of the Placement Shares and the subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority (including the SGX-ST, the MAS and the Securities Industry Council) which is applicable to the Company or the Placement Agent.

If any of the conditions precedent in the Placement Agreement is not fulfilled or waived by the Placement Agent, the Placement Agreement shall *ipso facto* cease and determine and (save in respect of certain breach by the Company) neither party shall have any claim against the other for costs, damages, compensation or otherwise, except that the Company shall continue to be bound by certain obligations under the Placement Agreement which shall continue in full force and effect.

Subject to the terms and conditions of the Placement Agreement, Completion will take place on the date falling two market days after the date on the listing and quotation notice is received from the SGX-ST for the listing and quotation of the Placement Shares on the Catalist (or such other date as the parties may agree in writing) but in any event being a date not later than 30 days after the date of the Placement Agreement.

RATIONALE FOR PROPOSED PLACEMENT AND USE OF PROCEEDS

The Proposed Placement is undertaken by the Company to raise funds for business development and expansion.

The Proposed Placement, if fully subscribed, will raise gross proceeds of approximately S\$10.0 million and net proceeds of approximately S\$9.6 million (after deducting estimated expense of approximately S\$0.4 million) (the “**Net Proceeds**”).

The Company intends to use the Net Proceeds solely and exclusively for business development and expansion.

Pending the deployment of the Net Proceeds for the purposes set out above, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Board may, in its absolute discretion, deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such funds are materially disbursed, and whether the use of the Net Proceeds is in accordance with the stated use. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company’s interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

The Directors are of the opinion that as at the date hereof:

- (a) after taking into consideration the Group's internal resources and present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Placement is undertaken to raise funds for business development and expansion; and
- (b) after taking into consideration the Group's internal resources, present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

In the reasonable opinion of the Board, no minimum amount must be raised from the Proposed Placement.

MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES

The Placement Shares will be issued pursuant to the share issue mandate approved by the Shareholders at the annual general meeting ("**AGM**") held on 20 July 2017 ("**General Mandate**") which authorises the Directors to, *inter alia*, allot and issue new shares in the Company, other than on a pro-rata basis to existing Shareholders, aggregating up to 50% of the total number of issued shares excluding treasury shares in the capital of the Company at the time of passing of the resolution approving the General Mandate.

As at the date of the AGM on 20 July 2017 and the date of this announcement, the Company had 100,000,000 issued Shares (and no treasury shares). No Shares were previously issued under the General Mandate prior to the Proposed Placement. Accordingly, the maximum number of Shares that the Company may allot and issue, other than on a pro-rata basis to existing Shareholders, pursuant to the General Mandate is 50,000,000. The Placement Shares proposed to be issued will fall within the maximum number authorised under the General Mandate.

FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results or financial position of the Company or the Group after the completion of the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following:

- (a) the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2017;
- (b) assuming that the Placement Shares are fully subscribed;
- (c) assuming that the Proposed Placement was completed on 31 March 2017, in determining the financial effect on the consolidated net asset value ("**NAV**") per Share; and
- (d) assuming that the Proposed Placement was completed on 1 April 2016, in determining the financial effect on the consolidated earnings per Share ("**EPS**").

	Before Proposed Placement	After Proposed Placement
Number of issued Shares	100,000,000	110,000,000
NAV (RM'000)	24,779	54,001 ⁽¹⁾
NAV per Share (sen)	24.8	49.1
Profit attributable to equity holders of the Company (RM'000)	2,221	2,221

	Before Proposed Placement	After Proposed Placement
EPS (sen)	2.2	2.0

Note:

- (1) The exchange rate of S\$1.00: RM3.044 as at 22 November 2017 was used for conversion. (Source: Bloomberg)

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, save through their shareholdings in the Company (if any).

GENERAL

The Proposed Placement will be undertaken pursuant to Section 277 of the Securities and Futures Act (Chapter 289). As such, an offer information statement will be lodged with the SGX-ST, acting as agent on behalf of the MAS, in due course.

An application for the listing and quotation of the Placement Shares will be submitted through the Company's sponsor to the SGX-ST in due course and the Company will make the necessary announcement once the listing and quotation notice has been received from the SGX-ST.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Ong Yoke En
 Executive Director and Chief Executive Officer
 27 November 2017

Samurai 2K Aerosol Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 16 January 2017. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.