

**CIRCULAR DATED 10 JULY 2019**

**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 stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Samurai 2K Aerosol Limited (the “**Company**”), you should immediately forward this Circular, together with the enclosed Notice of Extraordinary General Meeting and accompanying Proxy Form, immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). The Sponsor has not verified the contents of this Circular.

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

The contact person for the Sponsor is Mr Gregory Wee Toon Lee, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.



## **SAMURAI 2K AEROSOL LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201606168C)

### **CIRCULAR TO SHAREHOLDERS**

**in relation to**

### **THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE**

#### **IMPORTANT DATES AND TIMES:**

|  |   |   |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 22 July 2019 at 3.00 p.m.   |
| Date and time of Extraordinary General Meeting | : | 25 July 2019 at 3.00 p.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place |
| Place of Extraordinary General Meeting         | : | Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404  |

---

## CONTENTS

---

|   | <b>Page</b> |
|---|-------------|
| <b>DEFINITIONS</b> .....                                    | 3-4         |
| <br><b>LETTER TO SHAREHOLDERS</b>                           |             |
| 1. INTRODUCTION.....  | 5           |
| 2. THE PROPOSED SHARE PURCHASE MANDATE .....                | 6-18        |
| 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS ..... | 19          |
| 4. EXTRAORDINARY GENERAL MEETING .....                      | 19          |
| 5. ACTION TO BE TAKEN BY SHAREHOLDERS .....                 | 19          |
| 6. DIRECTORS' RECOMMENDATIONS .....                         | 19          |
| 7. DIRECTORS' RESPONSIBILITY STATEMENT .....                | 20          |
| 8. DOCUMENTS AVAILABLE FOR INSPECTION .....                 | 20          |
| <br><b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....    | <br>21-23   |
| <br><b>PROXY FORM</b>                                       |             |

---

## DEFINITIONS

---

In this Circular, the following definitions apply throughout unless otherwise stated:

|                                    |   |   |
|------------------------------------|---|---|
| “ <b>Board</b> ”                   | : | The board of Directors of the Company for the time being  |
| “ <b>Catalist</b> ”                | : | The sponsor-supervised listing platform of the SGX-ST   |
| “ <b>Catalist Rules</b> ”          | : | Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time   |
| “ <b>CDP</b> ”                     | : | The Central Depository (Pte) Limited  |
| “ <b>Circular</b> ”                | : | This circular to Shareholders dated 10 July 2019  |
| “ <b>Companies Act</b> ”           | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time  |
| “ <b>Company</b> ”                 | : | Samurai 2K Aerosol Limited  |
| “ <b>Constitution</b> ”            | : | The constitution of the Company, as amended or modified from time to time   |
| “ <b>Director</b> ”                | : | A director of the Company for the time being  |
| “ <b>EGM</b> ”                     | : | The extraordinary general meeting of the Company, the notice of which is set out on pages 21 to 23 of this Circular   |
| “ <b>FY</b> ”                      | : | Financial year ended, or as the case may be, ending 31 March  |
| “ <b>Group</b> ”                   | : | The Company and its subsidiaries  |
| “ <b>Latest Practicable Date</b> ” | : | 21 June 2019, being the latest practicable date prior to the printing of this Circular  |
| “ <b>Market Day</b> ”              | : | A day on which the SGX-ST is open for trading in securities   |
| “ <b>Registrar</b> ”               | : | Registrar of Companies  |
| “ <b>Relevant Period</b> ”         | : | The period commencing from the date on which the Share Purchase Mandate is approved and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier   |
| “ <b>SGX-ST</b> ”                  | : | Singapore Exchange Securities Trading Limited   |
| “ <b>Share Purchase Mandate</b> ”  | : | The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares on behalf of the Company in accordance with the terms set out in this Circular and the rules and regulations set forth in the Companies Act and the Catalist Rules |
| “ <b>Shareholders</b> ”            | : | Registered holders of Shares except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares                                 |
| “ <b>Shares</b> ”                  | : | Ordinary shares in the capital of the Company   |
| “ <b>SIC</b> ”                     | : | The Securities Industry Council of Singapore  |

---

## DEFINITIONS

---

|                   |   |  |
|-------------------|---|--|
| “Sponsor”         | : | UOB Kay Hian Private Limited   |
| “Take-over Code”  | : | The Singapore Code on Take-overs and Mergers, as amended or modified from time to time   |
| “treasury shares” | : | Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company |
| “RM” and “sen”    | : | Malaysian Ringgit and sen, respectively  |
| “S\$” and “cents” | : | Singapore dollars and cents, respectively  |
| “%” or “percent”  | : | Percentage or per centum   |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 (as amended or modified from time to time).

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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 not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws or regulations contained in this Circular are of such laws or regulations as at the Latest Practicable Date.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

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

The Company maintains its accounts and publishes its financial statements in RM. This Circular contains conversion of certain S\$ amounts into RM (or *vice versa*) at specified rates solely for the convenience of the reader. Unless otherwise indicated, the financial figures in this Circular are converted on the basis of S\$1 = RM3.0609. However, such conversion should not be construed as representing that the RM amounts have been or could be converted into S\$ amounts, or *vice versa*, at those or any other rates.

---

## LETTER TO SHAREHOLDERS

---

### SAMURAI 2K AEROSOL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201606168C)

**Directors:**

Mr Lim Siang Kai (Non-Executive Chairman and Lead Independent Director)  
Mr Ong Yoke En (Executive Director and Chief Executive Officer)  
Ms Lim Lay Yong (Executive Director and Chief Operating Officer)  
Dato' Loh Shin Siong (Non-Executive Director)  
Dato' Chang Chor Choong (Non-Executive Director)  
Mr Hau Hock Khun (Independent Director)  
Mr Lim Chong Huat (Independent Director)

**Registered Office:**

133 North Bridge Road  
#08-03 Chinatown Point  
Singapore 059413

10 July 2019

To: The Shareholders of Samurai 2K Aerosol Limited

Dear Sir/Madam

#### 1. INTRODUCTION

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 15 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, the Directors are convening the EGM to be held on 25 July 2019 to seek Shareholders' approval for the proposed adoption of the Share Purchase Mandate.

The purpose of this Circular is to explain the reasons for and to provide Shareholders with information relating to the proposed adoption of the Share Purchase Mandate, and to seek Shareholders' approval at the EGM.

#### 2. THE PROPOSED SHARE PURCHASE MANDATE

##### 2.1 Rationale for the Share Purchase Mandate

The approval of the adoption of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the limit described in Section 2.2 below at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.

---

## LETTER TO SHAREHOLDERS

---

- (b) The purchase or acquisition of Shares under the Share Purchase Mandate is one of the ways in which the return on equity of the Company may be enhanced, thereby increasing Shareholders' value.
- (c) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (d) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.
- (e) The Share Purchase Mandate will allow the Directors to effectively manage and minimise any dilution impact associated with any share-based incentive scheme of the Company.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial position of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

### 2.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if approved at the EGM, are summarised below:

(a) *Maximum Number of Shares*

The Company may purchase only Shares which are issued and fully paid-up. The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM at which the resolution authorising the Share Purchase Mandate is passed (the "**Approval Date**"), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings).

**For illustrative purposes only**, based on the issued share capital of the Company as at the Latest Practicable Date of 109,921,000 Shares (with no treasury shares or subsidiary holdings), and assuming that no new Shares are issued on or prior to the date of the EGM, not more than 10,992,100 Shares, representing 10% of the issued Shares as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

**While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity or orderly trading of the Shares and/or financial position of the Group.**

---

## LETTER TO SHAREHOLDERS

---

(b) *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next annual general meeting or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares made pursuant to the Share Purchase Mandate during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

(c) *Manner of Purchase or Acquisition of Shares*

Purchases or acquisitions of Shares may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisitions of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
  - (aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
  - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

---

## LETTER TO SHAREHOLDERS

---

In addition, the Catalist Rules provide that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptances;
  - (iii) the reasons for the proposed share purchase or acquisition;
  - (iv) the consequences, if any, of share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
  - (v) whether the share purchase or acquisition, if made, could affect the listing of the Shares on the SGX-ST;
  - (vi) details of any share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases or acquisitions; and
  - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) *Maximum Purchase Price*

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days on which transactions in Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.



---

## LETTER TO SHAREHOLDERS

---

### 2.3 Status of Purchased or Acquired Shares

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation), unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interests of the Company at that time.

(a) *Cancelled Shares*

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of such purchased Shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

(b) *Treasury Shares*

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the key provisions on treasury shares under the Companies Act are summarised below:

(i) *Maximum Holdings*

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act before the end of the period of six months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

(ii) *Voting and Other Rights*

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. In particular, the Company will not have the right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed, so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (aa) sell the treasury shares for cash;
- (bb) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (cc) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

---

## LETTER TO SHAREHOLDERS

---

- (dd) cancel the treasury shares; or
- (ee) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the Catalist before and after the usage, and the value of the treasury shares if they are used for a sale or transfer or cancelled.

### 2.4 Source of Funds

The Companies Act permits the Company to purchase or acquire its Shares out of capital or distributable profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of payment for the Shares purchased or acquired, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. However, in considering the option of external borrowing, the Directors will consider particularly the prevailing gearing level of the Company and the costs of such financing.

### 2.5 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value or earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

---

## LETTER TO SHAREHOLDERS

---

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:

- (a) that the purchase or acquisition by the Company of Shares was made on the Latest Practicable Date;
- (b) that (i) in the case of the purchase or acquisition of Shares made entirely out of capital, the Company purchased or acquired 5,496,050 Shares, representing 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and (ii) in the case of the purchase or acquisition of Shares made entirely out of profits, the Company purchased or acquired 549,605 Shares, representing 0.50% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date;
- (c) that (i) in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.9408 for each Share (being 105% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), and (ii) in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$1.0752 for each Share (being 120% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date);
- (d) that the purchase or acquisition of Shares by the Company was financed entirely using its internal sources of funds and required funds amounting to:
  - (i) in the case of Market Purchases made entirely out of capital, S\$5,170,684 (equivalent to RM15,827,009);
  - (ii) in the case of Off-Market Purchases made entirely out of capital, S\$5,909,353 (equivalent to RM18,088,010);
  - (iii) in the case of Market Purchases made entirely out of profits, S\$517,068 (equivalent to RM1,582,701); and
  - (iv) in the case of Off-Market Purchases made entirely out of profits, S\$590,935 (equivalent to RM1,808,801); and
- (e) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate are insignificant and have not been taken into account in computing the financial effects,

the financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for FY2019, are set out below.

## LETTER TO SHAREHOLDERS

### Scenario 1

***Purchase or acquisition of 5,496,050 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares***

|  | Group                 |                      |                     | Company               |                      |                     |
|--|-----------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
|  | Before Share Purchase | After Share Purchase | Off-Market Purchase | Before Share Purchase | After Share Purchase | Off-Market Purchase |
| <b>As at 31 March 2019</b>                         | <b>RM'000</b>         | <b>RM'000</b>        | <b>RM'000</b>       | <b>RM'000</b>         | <b>RM'000</b>        | <b>RM'000</b>       |
| Share capital                                      | 52,653                | 52,653               | 52,653              | 52,653                | 52,653               | 52,653              |
| Reserves   | (10,751)              | (10,751)             | (10,751)            | –                     | –                    | –                   |
| Retained earnings                                  | 32,305                | 32,305               | 32,305              | 1,947                 | 1,947                | 1,947               |
| Treasury shares                                    | –                     | (15,827)             | (18,088)            | –                     | (15,827)             | (18,088)            |
| Non-controlling interest                           | (141)                 | (141)                | (141)               | –                     | –                    | –                   |
| Total shareholders' equity                         | 74,066                | 58,239               | 55,978              | 54,600                | 38,773               | 36,512              |
| Net tangible assets                                | 72,975                | 58,363               | 56,102              | 54,600                | 38,773               | 36,512              |
| Current assets                                     | 78,937                | 63,110               | 60,849              | 48,783                | 30,956               | 28,695              |
| Current liabilities                                | 23,882                | 23,882               | 23,882              | 2,307                 | 2,307                | 2,307               |
| Total borrowings                                   | 13,821                | 13,821               | 13,821              | –                     | –                    | –                   |
| Number of Shares <sup>(1)</sup> ('000)             | 109,921               | 104,425              | 104,425             | 109,921               | 104,425              | 104,425             |
| Weighted average number of Shares ('000)           | 109,921               | 104,425              | 104,425             | 109,921               | 104,425              | 104,425             |
| <b>Financial Ratios</b>                            |                       |                      |                     |                       |                      |                     |
| Net tangible assets per Share <sup>(2)</sup> (sen) | 67.49                 | 55.89                | 53.72               | 49.67                 | 37.13                | 34.96               |
| Earnings per Share (sen)                           | 9.50                  | 10.00                | 10.00               | (0.06)                | (0.06)               | (0.06)              |
| Gearing ratio <sup>(3)</sup> (times)               | 0.19                  | 0.24                 | 0.25                | –                     | –                    | –                   |
| Current ratio <sup>(4)</sup> (times)               | 3.31                  | 2.64                 | 2.55                | 20.28                 | 13.42                | 12.44               |

**Notes:**

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

## LETTER TO SHAREHOLDERS

### Scenario 2

***Purchase or acquisition of 549,605 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and held as treasury shares***

|  | Group                 |   |                     | Company               |   |                     |
|--|-----------------------|---|---------------------|-----------------------|---|---------------------|
|  | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase |
| <b>As at 31 March 2019</b>                         | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       |
| Share capital                                      | 52,653                | 52,653                                  | 52,653              | 52,653                | 52,653                                  | 52,653              |
| Reserves   | (10,751)              | (10,751)                                | (10,751)            | –                     | –                                       | –                   |
| Retained earnings                                  | 32,305                | 32,305                                  | 32,305              | 1,947                 | 1,947                                   | 1,947               |
| Treasury shares                                    | –                     | (1,583)                                 | (1,809)             | –                     | (1,583)                                 | (1,809)             |
| Non-controlling interest                           | (141)                 | (141)                                   | (141)               | –                     | –                                       | –                   |
| Total shareholders' equity                         | 74,066                | 72,483                                  | 72,257              | 54,600                | 53,017                                  | 52,791              |
| Net tangible assets                                | 74,190                | 72,607                                  | 72,381              | 54,600                | 53,017                                  | 52,791              |
| Current assets                                     | 78,937                | 77,354                                  | 77,128              | 46,783                | 45,200                                  | 44,974              |
| Current liabilities                                | 23,882                | 23,882                                  | 23,882              | 2,307                 | 2,307                                   | 2,307               |
| Total borrowings                                   | 13,821                | 13,821                                  | 13,821              | –                     | –                                       | –                   |
| Number of Shares <sup>(1)</sup> ('000)             | 109,921               | 109,371                                 | 109,371             | 109,921               | 109,371                                 | 109,371             |
| Weighted average number of Shares ('000)           | 109,921               | 109,371                                 | 109,371             | 109,921               | 109,371                                 | 109,371             |
| <b>Financial Ratios</b>                            |                       |   |                     |                       |   |                     |
| Net tangible assets per Share <sup>(2)</sup> (sen) | 67.49                 | 66.39                                   | 66.18               | 49.67                 | 48.47                                   | 48.27               |
| Earnings per Share (sen)                           | 9.50                  | 9.55                                    | 9.55                | (0.06)                | (0.06)                                  | (0.06)              |
| Gearing ratio <sup>(3)</sup> (times)               | 0.19                  | 0.19                                    | 0.19                | –                     | –                                       | –                   |
| Current ratio <sup>(4)</sup> (times)               | 3.31                  | 3.24                                    | 3.23                | 20.28                 | 19.59                                   | 19.49               |

**Notes:**

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

## LETTER TO SHAREHOLDERS

### Scenario 3

***Purchase or acquisition of 5,496,050 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled***

|  | Group                 |   |                     | Company               |   |                     |
|--|-----------------------|---|---------------------|-----------------------|---|---------------------|
|  | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase |
| <b>As at 31 March 2019</b>                         | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       |
| Share capital                                      | 52,653                | 36,826                                  | 34,565              | 52,653                | 36,826                                  | 34,565              |
| Reserves   | (10,751)              | (10,751)                                | (10,751)            | –                     | –                                       | –                   |
| Retained earnings                                  | 32,305                | 32,305                                  | 32,305              | 1,947                 | 1,947                                   | 1,947               |
| Treasury shares                                    | –                     | –                                       | –                   | –                     | –                                       | –                   |
| Non-controlling interest                           | (141)                 | (141)                                   | (141)               | –                     | –                                       | –                   |
| Total shareholders' equity                         | 74,066                | 58,239                                  | 55,978              | 54,600                | 38,773                                  | 36,512              |
| Net tangible assets                                | 74,190                | 58,363                                  | 56,102              | 54,600                | 38,773                                  | 36,512              |
| Current assets                                     | 78,937                | 63,110                                  | 60,849              | 46,783                | 30,956                                  | 28,695              |
| Current liabilities                                | 23,882                | 23,882                                  | 23,882              | 2,307                 | 2,307                                   | 2,307               |
| Total borrowings                                   | 13,821                | 13,821                                  | 13,821              | –                     | –                                       | –                   |
| Number of Shares <sup>(1)</sup> ('000)             | 109,921               | 104,425                                 | 104,425             | 109,921               | 104,425                                 | 104,425             |
| Weighted average number of Shares ('000)           | 109,921               | 104,425                                 | 104,425             | 109,921               | 104,425                                 | 104,425             |
| <b>Financial Ratios</b>                            |                       |   |                     |                       |   |                     |
| Net tangible assets per Share <sup>(2)</sup> (sen) | 67.49                 | 55.89                                   | 53.72               | 49.67                 | 37.13                                   | 34.96               |
| Earnings per Share (sen)                           | 9.50                  | 10.00                                   | 10.00               | (0.06)                | (0.06)                                  | (0.06)              |
| Gearing ratio <sup>(3)</sup> (times)               | 0.19                  | 0.24                                    | 0.25                | –                     | –                                       | –                   |
| Current ratio <sup>(4)</sup> (times)               | 3.31                  | 2.64                                    | 2.55                | 20.28                 | 13.42                                   | 12.44               |

**Notes:**

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

## LETTER TO SHAREHOLDERS

### Scenario 4

***Purchase or acquisition of 549,605 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and cancelled***

|  | Group                 |   |                     | Company               |   |                     |
|--|-----------------------|---|---------------------|-----------------------|---|---------------------|
|  | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase | Before Share Purchase | After Share Purchase<br>Market Purchase | Off-Market Purchase |
| <b>As at 31 March 2019</b>                         | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       | <b>RM'000</b>         | <b>RM'000</b>                           | <b>RM'000</b>       |
| Share capital                                      | 52,653                | 52,653                                  | 52,653              | 52,653                | 52,653                                  | 52,653              |
| Reserves   | (10,751)              | (10,751)                                | (10,751)            | –                     | –                                       | –                   |
| Retained earnings                                  | 32,305                | 30,722                                  | 30,496              | 1,947                 | 366                                     | 140                 |
| Treasury shares                                    | –                     | –                                       | –                   | –                     | –                                       | –                   |
| Non-controlling interest                           | (141)                 | (141)                                   | (141)               | –                     | –                                       | –                   |
| Total shareholders' equity                         | 74,066                | 72,483                                  | 72,257              | 56,630                | 53,017                                  | 52,791              |
| Net tangible assets                                | 874,190               | 72,607                                  | 72,381              | 56,630                | 53,017                                  | 52,791              |
| Current assets                                     | 78,937                | 77,354                                  | 77,128              | 46,783                | 45,210                                  | 44,974              |
| Current liabilities                                | 23,882                | 23,882                                  | 23,882              | 2,307                 | 2,307                                   | 2,307               |
| Total borrowings                                   | 13,821                | 13,821                                  | 13,821              | –                     | –                                       | –                   |
| Number of Shares <sup>(1)</sup> ('000)             | 109,921               | 109,371                                 | 109,371             | 109,921               | 109,371                                 | 109,371             |
| Weighted average number of Shares ('000)           | 109,921               | 109,371                                 | 109,371             | 109,921               | 109,371                                 | 109,371             |
| <b>Financial Ratios</b>                            |                       |   |                     |                       |   |                     |
| Net tangible assets per Share <sup>(2)</sup> (sen) | 67.49                 | 66.39                                   | 66.18               | 49.67                 | 48.47                                   | 48.27               |
| Earnings per Share (sen)                           | 9.50                  | 9.55                                    | 9.55                | (0.06)                | (0.06)                                  | (0.06)              |
| Gearing ratio <sup>(3)</sup> (times)               | 0.19                  | 0.19                                    | 0.19                | –                     | –                                       | –                   |
| Current ratio <sup>(4)</sup> (times)               | 3.31                  | 3.24                                    | 3.23                | 20.28                 | 19.59                                   | 19.49               |

**Notes:**

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

**Shareholders should note that the financial effects set out above are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2019 audited numbers and is not necessarily reflective of the future financial performance of the Company and the Group. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not purchase or acquire or be able to purchase or acquire 10% of the issued Shares in full. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares purchased in treasury.**

---

## LETTER TO SHAREHOLDERS

---

### 2.6 Catalyst Rules

Under the Catalyst Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.2(d) of this Circular, conforms to this restriction.

The Catalyst Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Catalyst Rules.

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalyst Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases (i) during the period of one month before the announcement of the Company’s half-year and full-year financial statements (when the Company is not required to announce quarterly financial statements), and (ii) during the period of two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company’s full-year financial statements (when the Company is required to announce quarterly financial statements).

### 2.7 Listing Status on the SGX-ST

The Company is required under Rule 723 of the Catalyst Rules to ensure that at least 10% of its issued Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The “**public**”, as defined in the Catalyst Rules, are persons other than the Directors, Chief Executive Officer, substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Catalyst Rules) of such persons.

As at the Latest Practicable Date, there were approximately 36,721,000 issued Shares in the hands of the public (as defined above), representing approximately 33.41% of the total number of issued Shares of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 25,728,900 Shares, representing approximately 26.01% of the total number of issued Shares (excluding treasury shares) of the Company. As at the Latest Practicable Date, the Company did not hold any treasury shares and did not have any preference shares or convertible equity securities.



---

## LETTER TO SHAREHOLDERS

---

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity; or
- (c) affecting adversely the orderly trading of Shares.

### 2.8 Tax Implications

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

**Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.**

### 2.9 Implications of Take-over Code

#### 2.9.1 Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 ("**TOC Appendix 2**") of the Take-over Code.

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (b) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six months.

---

## LETTER TO SHAREHOLDERS

---

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

### 2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (i) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts; and (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

### 2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Mr Ong Yoke En (Executive Director and Chief Executive Officer of the Company), Ms Lim Lay Yong (Executive Director and Chief Operating Officer of the Company, and wife of Mr Ong Yoke En), Mr Ong How En (brother of Mr Ong Yoke En) and Ms Ong Yoke Hoi (sister of Mr Ong Yoke En), who are deemed to be acting in concert with each other, collectively held 58.86% of the issued Shares. They would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

**Shareholders who are in any doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Purchase Mandate is in force.**

### 2.10 **Reporting Requirements**

Within 30 days of the passing of the Shareholders' resolution to approve the proposed Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of Share purchase within 30 days of a Share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profit or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

### 2.11 **No Share Purchases in the Previous 12 Months**

No purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

---

## LETTER TO SHAREHOLDERS

---

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, are as follows:

|  | Direct Interest  |       | Deemed Interest  |   |
|--|------------------|-------|------------------|---|
|  | Number of Shares | %     | Number of Shares | % |
| <b>Directors</b>   |                  |       |                  |   |
| Ong Yoke En  | 46,384,000       | 42.20 | –                | – |
| Lim Lay Yong   | 15,000,000       | 13.65 | –                | – |
| Dato' Chang Chor Choong                                    | 4,250,000        | 3.87  | –                | – |
| Dato' Loh Shin Siong                                       | 4,250,000        | 3.87  | –                | – |
| Lim Siang Kai  | –                | –     | –                | – |
| Hau Hock Khun  | –                | –     | –                | – |
| Lim Chong Huat   | –                | –     | –                | – |
| <b>Substantial Shareholders<br/>(other than Directors)</b> | –                | –     | –                | – |

### 4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 21 to 23 of this Circular, will be held at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404 on Thursday, 25 July 2019 at 3.00 p.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 2.00 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 resolution set out in the Notice of EGM.

### 5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 72 hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

### 6. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale and information relating to the proposed Share Purchase Mandate as set out in this Circular, the Directors are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interest of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution to approve the proposed adoption of the Share Purchase Mandate at the EGM.

---

## LETTER TO SHAREHOLDERS

---

### 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 Share Purchase Mandate, 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.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 133 North Bridge Road, #08-03 Chinatown Point, Singapore 059413, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of  
**SAMURAI 2K AEROSOL LIMITED**

Ong Yoke En  
Executive Director and Chief Executive Officer

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### SAMURAI 2K AEROSOL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201606168C)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Samurai 2K Aerosol Limited (the “**Company**”) will be held at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404 on Thursday, 25 July 2019 at 3.00 p.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 2.00 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 ordinary resolution:

### PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (“**Shares**”) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, such scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
  - (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or
  - (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

(c) in this Resolution:

**“Prescribed Limit”** means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined hereinafter), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

**“Relevant Period”** means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

**“Maximum Price”** in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase : 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

**“Average Closing Price”** is the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period;

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

**“Market Day”** means a day on which the SGX-ST is open for trading in securities; and

(d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board

Ong Yoke En  
Executive Director and Chief Executive Officer

Singapore  
10 July 2019

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### Notes:

- (1) A member who is not a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the EGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (2) A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Act.
- (3) A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- (4) The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof at the Company's Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, either by hand at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623 or by post at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623, not less than seven-two (72) hours before the time appointed for the EGM in accordance with the instruction stated herein.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, 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(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PROXY FORM

### SAMURAI 2K AEROSOL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201606168C)

### EXTRAORDINARY GENERAL MEETING

### PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT

1. For investors who have used their CPF/SRS moneys to buy the Company's shares, this Circular is forwarded to them at the request of their CPF/SRS Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.

\*I/We \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport/Company Registration No.)

of \_\_\_\_\_ (Address)

being a \*member/members of SAMURAI 2K AEROSOL 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, the Chairman of the Meeting, as \*my/our \*proxy/proxies to attend and to vote for \*me/us on \*my/our behalf, at the Extraordinary General Meeting ("EGM") of the Company to be held at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404 on Thursday, 25 July 2019 at 3.00 p.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 2.00 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 resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

| No. | Ordinary Resolution  | For | Against |
|-----|--|-----|---------|
| 1.  | To approve the proposed adoption of Share Purchase Mandate |     |         |

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolution.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**





---

## PROXY FORM

---

### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the EGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.  
  
(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. A proxy need not be a member of the Company.
4. The duly completed this Proxy Form appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the office of the Company's Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, either by hand at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623 or by post at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623, not less than seventy-two (72) hours before the time appointed for the EGM in accordance with the instructions stated herein.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such a 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.
6. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.
7. Where an this Proxy Form appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form; failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject this Proxy Form 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 Proxy Form.
9. In the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register seventy-two (72) hours before the time appointed for holding the EGM, as certified by the Central Depository (Pte) Limited to the Company.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.