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Co. No. 194990-K

Date: 15 August 2019

The Board of Directors
SARAWAK CONSOLIDATED INDUSTRIES BERHAD
Lot 1258, Jalan Utama
Pending Industrial Estate
93450 Kuching
Sarawak, Malaysia

Dear Sirs,

SARAWAK CONSOLIDATED INDUSTRIES BERHAD ("SCIB" OR THE "OFFEREE")
NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER ("NOTICE")

1. INTRODUCTION

On 15 August 2019, Dato' Dr. Ir. Mohd Abdul Karim Bin Abdullah ("**Dato' Dr. Karim**" or the "**Offeror**") acquired a total of 17,447,155 ordinary shares of SCIB ("**SCIB Share(s)**" or "**Share(s)**"), representing approximately 20.31% equity interest in SCIB for a cash consideration of RM19,191,870.50 at the price of RM1.10 per SCIB Share from several shareholders of SCIB ("**Acquisition**"). The Acquisition was effected via direct business transaction.

Prior to the Acquisition, Dato' Dr. Karim owned 19,350,000 SCIB Shares, representing approximately 22.53% equity interest in SCIB. Following the Acquisition, the resultant equity interest of Dato' Dr. Karim in SCIB increased from 19,350,000 SCIB Shares, representing approximately 22.53% to 36,797,155 SCIB Shares, representing approximately 42.84%.

Pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 ("**CMSA**") and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), as Dato' Dr. Karim's direct equity interest exceeds 33.0% of the total SCIB Shares following the Acquisition, on behalf of Dato' Dr. Karim, UOB Kay Hian Securities (M) Sdn Bhd ("**UOB Kay Hian**") hereby informs you formally of the Offeror's obligation to extend a conditional mandatory take-over offer to acquire all the remaining 44,116,760 SCIB Shares, representing approximately 51.37% of the total issued SCIB Shares not already held by the Offeror and the persons acting in concert with the Offeror ("**PAC(s)**") ("**Offer Share(s)**") for a cash offer price of RM1.10 per Offer Share ("**Offer Price**") ("**Offer**").

Pursuant to Section 216(2)(a) of the CMSA, the PACs who are acting in concert with the Offeror in respect of this Offer are set out below:

- (a) Rosland Bin Othman ("**Encik Rosland**"), a shareholder of SCIB who currently holds 2,359,700 SCIB Shares, representing approximately 2.75% equity interest in SCIB as at the date of this Notice; and
- (b) Azhan Bin Azmi ("**Encik Azhan**"), a shareholder of SCIB who currently holds 2,608,885 SCIB Shares, representing approximately 3.04% equity interest in SCIB as at the date of this Notice.

Further details on the direct and indirect shareholding of the Offeror and PACs in SCIB are set out in **Section 7** of this Notice.

2. THE OFFER

On behalf of the Offeror, UOB Kay Hian hereby serves this Notice to the Board of Directors of SCIB ("**Board**") in accordance with Paragraph 9.10(1)(b)(i) of the Rules to acquire all the Offer Shares at a cash consideration of RM1.10 per Offer Share, subject to the adjustment as set out in Section 4.1 of this Notice, if applicable. The Offer will be made to all holders of the Offer Shares ("**Holder(s)**"), including the PACs, equally and in respect of all of their Offer Shares, subject to terms and conditions of the Offer.

Holders who wish to accept the Offer should refer to the procedures for acceptance, which will be set out in the document outlining the terms and conditions of the Offer ("**Offer Document**"), together with the accompanying forms of acceptance and transfer ("**Form of Acceptance and Transfer**"), to be dispatched to the Holders in due course, subject to the notification from Securities Commission Malaysia ("**SC**") that it has no further comments on the contents of the Offer Document being obtained.

3. INFORMATION ON THE OFFEROR

Dato' Dr. Karim, a Malaysian aged 54 is currently the Non-Independent and Non-Executive Director of SCIB since 1 August 2019.

Dato' Dr. Karim started his career as an engineer by profession and has accumulated approximately 30 years of working experience in engineering related operations, where he started his career with Asean Bintulu Fertilizer Sdn Bhd (1988) as a Mechanical Engineer. He was later appointed as the Coordinator for the Ammonia and Rotary 5th turnaround Preparation Team (1990) and as a Rotating Equipment Area Engineer (1991). In 1993, he formed Serba Dinamik Sdn Bhd and assumed the position as the Chief Executive Officer. He gained vast experience in the maintenance and installation of rotating equipment since 1993 that includes major overhaul/ inspection of 37 megawatt (MW) MHI steam turbines in Modules 1, 2 & 3 of Malaysia LNG Sdn Bhd and the overall supervisory of plant shutdown maintenance on various rotating equipment. On 8 February 2017, Serba Dinamik Holdings Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") and he assumed the position as the Group Managing Director/ Group Chief Executive Officer until today.

On 2 May 2018, he was appointed as the Deputy Chairman and Non-Executive, Non-Independent Director of CSE Global Limited and on 1 July 2019, he was appointed as Deputy Chairman, Non-Independent and Non-Executive Director of Kumpulan Powernet Berhad.

Save as disclosed below, Dato' Dr. Karim does not hold substantial equity interest, directorship and/ or sit on the board of any other public listed company as at 13 August 2019, being the latest practicable date of this Notice ("**LPD**"):

Public listed company	Stock exchange	Designation	Date of appointment	Direct shareholding	
				No. of shares	%
SCIB	Bursa Securities	Non-Independent Non-Executive Director	1 August 2019	19,350,000	22.53
Kumpulan Powernet Berhad	Bursa Securities	Deputy Chairman, Non-Independent and Non-Executive Director	1 July 2019	15,263,141	20.04
CSE Global Limited	Singapore Exchange Securities Trading Limited	Deputy Chairman, Non-Executive and Non-Independent Director	2 May 2018	-	-

Public listed company	Stock exchange	Designation	Date of appointment	Direct shareholding	
				No. of shares	%
Serba Dinamik Holdings Berhad	Bursa Securities	Group Managing Director/ Group Chief Executive Officer	31 May 2016	346,776,400	23.61

Note:

¹ As at the LPD, Dato' Dr. Karim has indirect equity interest in CSE Global Limited by virtue of his substantial equity interest in Serba Dinamik Holdings Berhad, a holding company of Serba Dinamik International Ltd which holds direct equity interest of 128,166,250 shares, representing approximately 25.23% equity interest in CSE Global Limited; 2,000,000 shares, representing approximately 0.39% equity interest in CSE Global Limited held through RHB Securities Singapore Pte Ltd; and 2,000,000 shares, representing approximately 0.39% equity interest in CSE Global Limited held through CGS-CIMB Securities (Singapore) Pte. Ltd.

4. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are set out below:

4.1 Consideration for the Offer

Holders who accept the Offer ("**Accepting Holders**") shall be paid **RM1.10 in cash for each Offer Share**, in accordance with the terms to be set out in the Offer Document.

Notwithstanding the above, if SCIB declares, makes and/ or pays any dividend and/ or other distributions (collectively, "**Distributions**") in favour of its shareholders whereby the entitlement date for such Distributions is on or after the date of this Notice but prior to the Closing Date (as defined under **Section 4.5(a)** of this Notice) and the Holder is entitled to retain such Distributions, the Offeror will reduce the amount of the Offer Price by the quantum of the aforesaid Distributions per Offer Share that such Holder is entitled to retain. For the avoidance of doubt, no adjustment shall be made to the Offer Price in the event that the entitlement date for the Distributions is after the Closing Date (as defined under **Section 4.5(a)** of this Notice).

Holders may accept the Offer in respect of all or part of their Offer Shares. Fractions of a sen will not be paid to the Accepting Holders and cash consideration in respect of the valid acceptance of the Offer will be rounded down to the nearest whole sen.

The Offer Price represents the highest price paid by the Offeror and the PACs for SCIB Shares of RM1.10 each, during the 6-month period prior to the commencement of offer period and including the Acquisition. Accordingly, the Offer Price is in compliance with Paragraph 6.03(1) of the Rules.

Further, the Offer Price is a price at which the Offeror is willing to acquire the Offer Shares after taking into consideration, amongst others, the historical market prices of SCIB Shares, of which represents premium to the following last transacted prices and the volume weighted average market prices ("**VWAP**") of SCIB Shares:

	Share price RM	Premium RM	%
Last transacted price of SCIB Shares as at 14 August 2019, being the last trading day prior to the date of this Notice (" LTD ")	1.0700	0.0300	2.80
5-day VWAP of SCIB Shares up to and including the LTD	1.0720	0.0280	2.61
1-month VWAP of SCIB Shares up to and including the LTD	1.0391	0.0609	5.86
3-month VWAP of SCIB Shares up to and including the LTD	0.9604	0.1396	14.54
6-month VWAP of SCIB Shares up to and including the LTD	0.8097	0.2903	35.85
12-month VWAP of SCIB Shares up to and including the LTD	0.7704	0.3296	42.78

(Source: Bloomberg)

4.2 Condition of the Offer

The Offer is **conditional** upon the Offeror having received valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) by the Closing Date (as defined in **Section 4.5(a)** of this Notice), which would result in the Offeror and the PACs holding in aggregate, together with such SCIB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and the PACs, more than 50% of voting shares or voting rights of the Offeree ("**Acceptance Condition**").

The Acceptance Condition shall be fulfilled on or before 5.00 p.m. (Malaysian time) on the Closing Date, failing which the Offer shall lapse and all prior acceptances shall be returned to the Accepting Holders and the Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

For information purpose only, the Offer is subject to the following:

- (a) notification from the SC that it has no further comments on the contents of the Offer Document; and
- (b) approval or consent from any other relevant parties, if required.

4.3 Dispatch of the Offer Document

Pursuant to the provisions of the Rules, unless otherwise directed or permitted by the SC to defer in doing so, the Offer will be made in conjunction with the posting of the Offer Document, which will not be later than 21 days from the date of the sending of this Notice ("**Posting Date**"). An application will be made by UOB Kay Hian, on behalf of the Offeror to the SC for an extension of time if the Posting Date is expected to be deferred by the Offeror beyond the requisite 21 days.

The Offeror will post the Offer Document to the Board and all Holders whose names appear on the Record of Depositors of SCIB as at the latest practicable date prior to the dispatch of the Offer Document, in accordance with the terms as set out in **Section 4.11(a)** of this Notice.

4.4 Warranty

The Offer Shares are to be acquired by the Offeror on the basis of an acceptance of the Offer by a Holder in accordance with the provisions of the Offer Document ("**Valid Acceptance**"). The Valid Acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which the Valid Acceptance relates, are sold:

- (a) free from all moratorium, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights, equities or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing from the date of the Valid Acceptance; and
- (b) with all rights, benefits and entitlements attaching thereto, including the rights to all Distributions declared, paid or made on or after the date of this Notice, subject to the adjustment(s) by reason of any Distributions as set out in **Section 4.1** of this Notice.

4.5 Duration of the Offer

(a) Original duration

The Offer will remain open for acceptance for a period of not less than 21 days from the Posting Date ("**First Closing Date**") or such later date(s) as UOB Kay Hian may announce, on behalf of the Offeror ("**Closing Date**"), unless the Offeror withdraws the Offer with the SC's prior written approval and in such event, every person shall be released from any obligation incurred under the Offer.

(b) Revision of the Offer

Pursuant to Paragraph 12.03 of the Rules, if the Offer is revised after the Posting Date, the Offeror will:

- (i) announce such revision together with the following information:
 - (aa) the revised offer price; and
 - (bb) the price paid or agreed to be paid and the number of voting shares or voting rights purchased or agreed to be purchased, which lead to the revision;
- (ii) post the written notification of the revised take-over offer to all Holders, including all the Accepting Holders who have previously accepted the Offer, no later than the 46th day from the date of the Offer Document; and
- (iii) keep the Offer open for acceptance for a period of at least another 14 days from the date of posting of the written notification of the revised take-over offer to all Holders.

Where any of the terms of the Offer are revised, Holders who have previously accepted the Offer shall also be entitled to receive the revised consideration that is to be paid or provided for the acceptance of the Offer.

The Offer shall not be revised after the 46th day from the Posting Date.

Where a competing take-over offer is made during the period between the Posting Date and the Closing Date, the Offer Document sent by the Offeror shall be deemed to have been posted on the date that the competing take-over offer document was posted.

(c) Extension of the Offer

Any extension of the date and time for acceptance of the Offer by the Offeror will be announced by UOB Kay Hian, on behalf of the Offeror, at least 2 days before the Closing Date. Such announcement will state the next closing date of the Offer. Notices of such extensions will be posted to the Holders accordingly.

(d) Closing of the Offer

Where the Offer has become or is declared unconditional as to the acceptances of the Offer on any day **on or before** the 46th day from the Posting Date, the Offer will remain open for acceptances for not less than 14 days from the date on which the Offer becomes and is declared unconditional which shall, in any event, be no later than the 60th day from the Posting Date.

Where the Offer has become or is declared unconditional as to the acceptances of the Offer on any day **after** the 46th day from the Posting Date, the Offer will remain open for acceptances for not less than 14 days from the date on which the Offer becomes and is declared unconditional which shall, in any event, be no later than the 74th day from the Posting Date.

Without prejudice to the above, the Offeror shall give not less than 14 days' notice in writing to the Holders before the closing of the Offer.

4.6 Rights of withdrawal by an Accepting Holder

- (a) All Valid Acceptances of the Offer by the Accepting Holder **SHALL BE IRREVOCABLE**. However, any Accepting Holder is entitled to withdraw his/ her acceptance if the Offeror fails to comply with any of the requirements set out in **Section 4.9(a)** of this Notice by the close of trading on Bursa Securities on the market day following the day which the Offer is closed, revised or extended ("**Relevant Day**").
- (b) Notwithstanding the above, the SC may terminate the above right of withdrawal not less than 8 days from the Offeror complying with the requirements of **Section 4.9(a)** of this Notice.

However, the rights of any Holder who has already withdrawn his/ her acceptance pursuant to **Section 4.6(a)** of this Notice shall not be prejudiced by the termination of such right of withdrawal by the SC.

4.7 Withdrawal of the Offer by the Offeror

The Offeror may only withdraw the Offer with the prior written approval of the SC.

4.8 Method of settlement

Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for the Offeror's rights to reduce the consideration of the Offer Shares as set out in **Section 4.1** of this Notice, settlement of the consideration to which any Accepting Holder is entitled under the Offer will be implemented in full, in accordance with the terms of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may otherwise be, or claim to be, entitled against the Accepting Holder. This, however, is without prejudice to the Offeror's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of the warranty as set out in **Section 4.4** of this Notice.

The settlement of the consideration for the Offer Shares will be effected via remittance in the form of cheque(s), banker's draft(s) and/ or cashier's order(s) which will be dispatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of Valid Acceptances, at their own risk, within 10 days from:

- (a) the date the Offer becomes or is declared wholly unconditional, if the Valid Acceptances are received during the period when the Offer is still conditional; or
- (b) the date the Valid Acceptances are received if the Valid Acceptances are received during the period after the Offer is or has become or has been declared wholly unconditional.

Any Holder(s), including without limitation, custodians, nominees and trustees, who are citizens or national of, or residents in, or have registered addresses in jurisdictions outside Malaysia, or incorporated or registered with, or approved by any authority outside Malaysia or non-residents within the definition prescribed under the Financial Services Act 2013 ("**Non-Resident Holder(s)**") are advised that settlement for acceptance of the Offer will be made in Ringgit Malaysia (**RM**). Non-Resident Holder(s) who wish to convert their consideration into foreign currency for repatriation may do so after payment of the appropriate fees and/ or charges levied by the respective financial institutions.

4.9 Announcement of acceptance

- (a) The Offeror shall inform the SC in writing and announce to Bursa Securities via Bursa LINK and simultaneously announce by way of press notice before 9.00 a.m. (Malaysian time) on the Relevant Day, the following information:
 - (i) whether the Offer is closed, revised or extended; and
 - (ii) the total number of Offer Shares:
 - (aa) for which acceptance(s) of the Offer has/ have been received after the Posting Date;
 - (bb) held by the Offeror and the PACs, if relevant as at the Posting Date; and
 - (cc) acquired or agreed to be acquired by the Offeror and the PACs, if any, during the offer period but after the Posting Date,

and must specify the percentage of each class of relevant securities represented by these numbers.

- (b) In computing the acceptance of Offer Shares for announcement purposes, the Offeror may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- (c) References to the making of an announcement or the giving of notice by the Offeror include the following:
 - (i) release of an announcement by UOB Kay Hian or the Offeror's advertising agent(s) to the press; or
 - (ii) delivery of or transmission by facsimile or Bursa LINK of an announcement to Bursa Securities.
- (d) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities, if applicable.

4.10 Purchases in the open market

Should the Offeror or any PACs with the Offeror purchases or agrees to purchase the Offer Shares during the offer period at a consideration that is higher than the Offer Price, the Offeror shall increase the Offer Price to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror or any PACs with the Offeror for the Offer Shares during the offer period.

4.11 General

- (a) All communications, notices, documents and payments to be delivered or sent to the Holders (or their designated agent(s) as they may direct) will be dispatched by ordinary mail to the Holders' registered Malaysian addresses last maintained with Bursa Malaysia Depository Sdn Bhd at their own risk. Non-Resident Holders with no registered Malaysian addresses maintained with Bursa Malaysia Depository Sdn Bhd who wish to receive communications, notices and documents in relation to the Offer should ensure that they have their foreign mailing addresses changed to a registered Malaysian address.

In any event, the Offer Document shall be made available on the website of Bursa Securities at www.bursamalaysia.com upon issuance.

Unless the contrary is proved, delivery of the communication, notice, document or payment will be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and it shall be presumed to have been effected at the time when the document would have been delivered in the ordinary course of the mail.

- (b) The Offer and all Valid Acceptances received under the Offer will be construed in accordance with and governed by Malaysian law. It will be provided in the Offer Document that the Offeror and Holders shall submit to the exclusive jurisdiction of the courts of Malaysia.

- (c) Holders may accept the Offer made to them in respect of all or part of their Offer Shares. The Accepting Holder shall not exceed his/ her/ its total holding of Offer Shares, failing which the Offeror has the right to treat such acceptance as invalid. Nevertheless, the Offeror also reserves the right to treat any acceptances of a Holder exceeding his/ her total holding of Offer Shares as valid for and to the extent of his/ her total holding of Offer Shares.
- (d) The Form of Acceptance and Transfer which will accompany the Offer Document contain the following:
 - (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominee(s), if any;
 - (ii) instructions to complete the Form of Acceptance and Transfer; and
 - (iii) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominee(s), if any.

No acknowledgement of the receipt of the Form of Acceptance and Transfer will be issued.

- (e) All costs and expenses of or incidental to the preparation and posting of the Offer Document (other than professional fees and other costs relating to the Offer incurred by the Offeree) will be borne by the Offeror. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from the Valid Acceptance of the Offer will also be borne by the Offeror. For the avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses or other requisite payments due in a jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by the Offeror.
- (f) The accidental omission to dispatch the Offer Document and the Form of Acceptance and Transfer to any person to whom the Offer is made shall not invalidate the Offer in any way.

5. LISTING STATUS OF SCIB, COMPULSORY ACQUISITION AND RIGHTS OF MINORITY SHAREHOLDERS

5.1 Listing status of SCIB

Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") states that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders ("**Public Spread Requirement**"). Bursa Securities may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market of such shares.

A listed issuer that fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. Where no extension of time is granted by Bursa Securities to rectify the Public Spread Requirement, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for a breach of Paragraph 8.02(1) of the Listing Requirements and may, at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. Notwithstanding this, the non-compliance of the Public Spread Requirement would not automatically result in the delisting of the listed issuer from the Official List of Bursa Securities.

In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Rules, upon 90% or more of the listed shares (excluding treasury shares) of the said listed issuer being held by a shareholder either individually or jointly with associates of the shareholder, an immediate announcement must be made by the listed issuer pursuant to Paragraph 9.19(48) of the Listing Requirements. Upon such immediate announcement and where the Offeror has announced that his intention to maintain the listing status of SCIB, Bursa Securities shall suspend the trading of the listed issuer's securities immediately upon the expiry of 30 market days from the date of the immediate announcement. In this regard, the suspension will only be uplifted upon SCIB's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

The Offeror intends to maintain the listing status of SCIB on the Main Market of Bursa Securities. In the event SCIB fails to comply with the Public Spread Requirement under Paragraph 8.02(1) of the Listing Requirements as a result of the Offer, the Offeror will procure SCIB to explore various options or proposals to rectify the shortfall in the public shareholding spread of SCIB within 3 months from the Closing Date or such extended timeframe as allowed by Bursa Securities. Any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/ or SCIB's shareholders. The actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time.

Holders should note that whilst the Offeror will work together with SCIB to rectify any shortfall in the Public Spread Requirement, there can be no assurance that any non-compliance of Public Spread Requirement, if occurs, can be rectified within the stipulated timeframe as allowed by the relevant authorities. In the event SCIB does not meet the Public Spread Requirement within the stipulated timeframe as allowed by the relevant authorities, SCIB may seek for an extension of time from the relevant authorities to do so. However, Bursa Securities reserves the right to grant an extension or reject the said application.

5.2 Compulsory acquisition

Section 222(1) of the CMSA provides that, where an offeror:

- (a) has made a take-over offer for all the shares or all the shares in any particular class in an offeree; and
- (b) has received acceptance of not less than nine-tenths (9/10) in the nominal value of the offer shares,

the offeror may, within 4 months of the date of the take-over offer, acquire the remaining shares or remaining shares in any particular class in the offeree, by issuing a notice in the form or manner specified by the SC to such effect, to all dissenting shareholder provided that the notice:

- (i) is issued within 2 months from the date of achieving the conditions under Sections 221(1)(a) and 221(1)(b) of the CMSA; and
- (ii) is accompanied by a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

Section 222(1A) of the CMSA provides that, for the purpose of Section 222(1)(b) of the CMSA, the acceptance shall not include shares already held by the offeror or his persons acting in concert as at the date of the take-over offer.

In the event the Offeror receives Valid Acceptances of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding SCIB Shares already held by the Offeror and his PACs) on or before the Closing Date, **the Offeror does not intend to invoke the provisions of Section 222(1) of the CMSA, to compulsorily acquire any remaining Offer Shares** from the Holders who have not accepted the Offer ("**Dissenting Holders**") for which acceptances have not been received.

5.3 Rights of minority shareholders

Notwithstanding the above and subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Offeror receives Valid Acceptances resulting in him holding not less than nine-tenths (9/10) in the value of all the shares in SCIB on or before the Closing Date, a Dissenting Holder may exercise his/ her rights under Section 223(1) of the CMSA by serving a notice on the Offeror to require the Offeror to acquire his/ her Offer Shares on the same terms to be set out in the Offer Document or such terms as may be agreed between the Offeror and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of Section 223(1) of the CMSA, the Offeror shall acquire such Offer Shares in accordance with the provisions of the CMSA, subject to the provisions of Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Holder exercises his/ her rights under Section 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Section 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a notice in the manner prescribed under the Rules of the rights exercisable by the Dissenting Holders under Section 223(1) of the CMSA ("**Notice to Dissenting Holders**"), within 1 month of the time the Offeror has acquired not less than nine-tenths (9/10) in the value of all the shares in SCIB (including SCIB Shares already held by the Offeror). A Notice to Dissenting Holders under Section 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than 3 months after the Closing Date.

6. FINANCIAL RESOURCES OF THE OFFEROR

The consideration for the Offer Shares shall be satisfied entirely by the Offeror. The Offeror has confirmed that he is able to implement the Offer in full and the Offer would not fail due to his insufficient financial capability, and that every Holder who wishes to accept the Offer will be paid in full by cash.

UOB Kay Hian, being the Adviser to the Offeror for the Offer, confirms that the financial resources available to the Offeror are sufficient to satisfy the full acceptance under the Offer and therefore is satisfied that the Offeror is able and will continue to implement the Offer in full and the Offer would not fail due to insufficient financial capability of the Offeror, and that every Accepting Holder will be paid in full by cash.

7. DISCLOSURE OF INTERESTS IN SCIB

In accordance with subparagraphs 9.10(3)(d) and 9.10(3)(e) of the Rules, the Offeror hereby discloses that, as at the date of this Notice:

- (a) the direct and indirect interests of the Offeror and the PACs in SCIB are as follows:

	<----- Direct ----->		<----- Indirect ----->	
	No. of SCIB Shares	% ¹	No. of SCIB Shares	% ¹
Offeror	36,797,155	42.84	-	-
Encik Rosland	2,608,885	3.04	-	-
Encik Azhan	2,359,700	2.75	-	-

Note:

¹ Computed based on 85,882,500 SCIB Shares in issue.

- (b) the Offeror and the PACs have not received any irrevocable undertaking from any Holder to accept the Offer;
- (c) the Offeror and the PACs have not entered into or been granted with any option to acquire the Offer Shares; and
- (d) there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Shares between the Offeror or their PACs and any Holder.

8. RESPONSIBILITY STATEMENT

The Offeror has seen this Notice and has approved the issuance of this Notice. The Offeror accepts full responsibility for the accuracy of the information given in this Notice and confirms that, after making all reasonable enquiries and to the best of his knowledge, the facts stated and opinions expressed in this Notice are fair and accurate and have been arrived at, after due and careful consideration and that no material facts have been omitted in this Notice.

9. PUBLIC RELEASE

In accordance with subparagraphs 9.10(1)(a), 9.10(1)(b)(ii) and 9.10(1)(b)(iii) of the Rules, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

Further details of the Offer will be set out in the Offer Document, which will be dispatched to the Holders in due course. We would be grateful if you would acknowledge receipt by signing and returning to us the duplicate of this Notice.

Yours faithfully,
For and behalf of
UOB KAY HIAN SECURITIES (M) SDN BHD



TAN MENG KIM
Managing Director
Capital Markets




NANTHA KUMAR
Director
Co-Head, Corporate Finance

TO: UOB KAY HIAN SECURITIES (M) SDN BHD

We, **SARAWAK CONSOLIDATED INDUSTRIES BERHAD**, hereby acknowledge receipt of this Notice of Conditional Mandatory Take-Over Offer by Dato' Dr. Ir. Mohd Abdul Karim Bin Abdullah, being the Offeror dated 15 August 2019.

For and on behalf of the Board of Directors of Sarawak Consolidated Industries Berhad:

Authorised Signatory : 
Name : Rewi Hamid Bugo
Designation : Executive Director
Date : 15/8/19