

THIS NOTIFICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you have sold or transferred all your ordinary shares and warrants in MESB Berhad, you should hand over this Notification immediately to the person through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee.

If you are in any doubt as to the course of action to be taken or may require advice in relation to the Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad has not perused the contents of this Notification before its issuance, takes no responsibility for the contents of this Notification, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notification.

THIS NOTIFICATION IS FOR YOUR INFORMATION ONLY. NO ACTION IS REQUIRED TO BE TAKEN.



MESB BERHAD

[Registration No.: 199501008356 (337554-D)]

[Incorporated in Malaysia]

NOTIFICATION TO THE SHAREHOLDERS AND WARRANT HOLDERS OF

MESB BERHAD

IN RELATION TO THE

**RECEIPT OF NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER
DATED 12 OCTOBER 2020**

FROM

KAF INVESTMENT BANK BERHAD

ON BEHALF OF

WONG SAK KUAN AND YAU MING TECK

This Notification is dated 16 October 2020



MESB BERHAD

[Registration No.: 199501008356 (337554-D)]

[Incorporated in Malaysia]

Registered Office:

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

16 October 2020

BOARD OF DIRECTORS

Saffie Bin Bakar (Chairman / Senior Independent Non-Executive Director)
Tan Yew Kim (Independent Non-Executive Director)
Lee Kok Heng (Independent Non-Executive Director)
Loke Lee Ping (Chief Executive Officer cum Executive Director)
Chua Jin Kau (Executive Director)

To: The shareholders and warrant holders of MESB Berhad

Dear Sir/Madam,

MESB BERHAD (“MESB” OR THE “COMPANY”)

RECEIPT OF NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER DATED 12 OCTOBER 2020 FROM KAF INVESTMENT BANK BERHAD (“KAF IB”) ON BEHALF OF WONG SAK KUAN AND YAU MING TECK (“JOINT OFFERORS”) (“NOTICE”)

1.0 INTRODUCTION

We wish to inform you that on 12 October 2020, the board of directors of MESB (“**Board**”) had received a notice from KAF IB on behalf of the Joint Offerors, notifying that the Joint Offerors are obliged to extend a mandatory take-over offer to acquire:-

- (i) all the remaining ordinary shares in MESB (“**MESB Shares**”) not already owned by the Joint Offerors and such number of new MESB Shares that may be issued and allotted prior to the closing of the Offer (as defined below) arising from the exercise of the outstanding warrants in MESB (“**MESB Warrants**”) not already owned by the Joint Offerors (“**Offer Share(s)**”); and
- (ii) all the remaining MESB Warrants not already owned by the Joint Offerors (“**Offer Warrant(s)**”),

for a cash offer price of RM0.315 per Offer Share and RM0.015 per Offer Warrant (“**Offer**”),

On the same day, the Board announced the receipt of the Notice. On 13 October 2020, the Board announced that the Company does not intend to seek an alternative person to make a take-over offer for the Offer Shares and Offer Warrants.

2.0 CONDITION OF THE OFFER

As stipulated in Section 4.2 of the Notice, the Offer is **CONDITIONAL** upon the Joint Offerors having received the valid acceptances before the close of the Offer (provided that such acceptances are not, where permitted, subsequently withdrawn), which, together with such MESB Shares that have been acquired, held or entitled to be acquired or held by the Joint Offerors, will result in the Joint Offerors holding in aggregate more than 50.0% of the voting shares in MESB (“**Acceptance Condition**”).

The Acceptance Condition shall be fulfilled no later than 5.00 p.m. (Malaysian time) on or before the Closing Date, which shall not be later than the 60th day from the Posting Date (as defined in Section 4.3 of the Notice), failing which the Offer shall lapse and all acceptances shall be returned to the accepting holders and the Joint Offerors will thereafter, cease to be bound by any such prior acceptances of the Offer.

3.0 APPOINTMENT OF INDEPENDENT ADVISER

In accordance with Paragraph 3.06 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, the Board had on 13 October 2020 appointed DWA Advisory Sdn. Bhd. as the independent adviser (“**IA**”) to advise the non-interested Directors and holders of the Offer Shares and Offer Warrants in relation to the Offer.

4.0 DOCUMENTS RELATING TO THE OFFER

The purpose of this Notification is to inform you of the Offer and a copy of the Notice is enclosed herewith for your information. **You should note that this Notification does not constitute an offer.**

The document outlining the terms and conditions of the Offer (“**Offer Document**”) together with the accompanying form of acceptance and transfer will be despatched to you within 21 days from the date of the Notice or any extended period of time as may be directed or permitted by the Securities Commission Malaysia (“**SC**”).

The Independent Advice Circular containing, amongst others, the recommendation of the IA in relation to the Offer, will be despatched to you within 10 days from the date of despatch of the Offer Document or any later date as may be approved by the SC.

All communications, notices, documents and payments to be delivered or sent to you (or your designated agents, as you may direct) will be despatched by ordinary mail to your registered Malaysian address in the record of depositors last maintained with Bursa Malaysia Depository Sdn. Bhd. (“**Bursa Depository**”) at your own risk. Non-resident shareholders with no registered Malaysian address maintained with Bursa Depository who wish to receive communications, notices and documents in relation to the Offer must 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 Malaysia Securities Berhad at www.bursamalaysia.com upon issuance.

5.0 DIRECTORS’ RESPONSIBILITY STATEMENT

The Board has seen and approved this Notification and they collectively and individually accept full responsibility for the accuracy of the information given in this Notification and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Notification false or misleading.

YOU ARE ADVISED NOT TO TAKE ANY ACTION WHICH MAY BE PREJUDICIAL TO YOUR INTERESTS AND TO READ THE OFFER DOCUMENT AND THE INDEPENDENT ADVICE CIRCULAR TO BE ISSUED AND POSTED TO YOU CAREFULLY BEFORE TAKING ANY ACTION(S) IN RELATION TO THE OFFER SHARES AND OFFER WARRANTS.

Yours faithfully,
For and on behalf of the Board of
MESB BERHAD

LOKE LEE PING
Chief Executive Office cum Executive Director

**NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER DATED 12 OCTOBER 2020
FROM KAF INVESTMENT BANK BERHAD
ON BEHALF OF WONG SAK KUAN AND YAU MING TECK**



INVESTMENT BANK BERHAD (20657-W)

12 October 2020

The Board of Directors
MESB BERHAD
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

Dear Sirs,

**MESB BERHAD (“MESB” OR “OFFEREE”)
NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER (“NOTICE”)**

1. INTRODUCTION

- 1.1. On 12 October 2020, Wong Sak Kuan and Yau Ming Teck (“**Joint Offerors**”) had acquired a total of 29,487,104 ordinary shares in MESB (“**MESB Shares**” or “**Shares**”), representing approximately 27.79% equity interest in MESB, for a total cash consideration of RM8,846,131.20 or RM0.30 per Share (“**Acquisitions**”). The Acquisitions were effected via direct business transactions from the following parties:-
- (i) 18,411,148 Shares from Angsana Inai Sdn Bhd;
 - (ii) 7,271,550 Shares from Konwa Industrial Sewing Machine (M) Sdn Bhd; and
 - (iii) 3,804,406 Shares from Yew Kuok Yee.
- 1.2. Prior to the Acquisitions, the Joint Offerors collectively held 17,345,000 MESB Shares, representing approximately 16.35% equity interest in MESB, but they do not hold any warrants in MESB (“**MESB Warrants**” or “**Warrants**”). Upon completion of the Acquisitions, the Joint Offerors collectively hold 46,832,104 MESB Shares, representing an increase from approximately 16.35% to 44.14% equity interest in MESB.
- 1.3. 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**”) issued by the Securities Commission Malaysia (“**SC**”), the Joint Offerors are extending a mandatory take-over offer to acquire all the remaining MESB Shares and MESB Warrants not already owned by them (“**Offer**”).
- 1.4. As at the date of this Notice, there are no persons acting in concert with the Joint Offerors in relation to the Offer pursuant to Section 216 of the CMSA.

2. THE OFFER

On behalf of the Joint Offerors, KAF Investment Bank Berhad (“**KAF IB**”) hereby serves this Notice to the Board of Directors of MESB (“**Board**”) in accordance with Paragraph 9.10(1)(b)(i) of the Rules, to acquire:-

- (i) all the remaining MESB Shares not already owned by the Joint Offerors and such number of new MESB Shares that may be issued and allotted prior to the Closing Date (as defined in Section 4.5(i) of this Notice) arising from the exercise of the outstanding MESB Warrants not already owned by the Joint Offerors (“**Offer Shares**”); and
- (ii) all the remaining MESB Warrants not already owned by the Joint Offerors (“**Offer Warrants**”),



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for a cash offer price of **RM0.315 per Offer Share** and **RM0.015 per Offer Warrant** (“Offer”), subject to the adjustments as set out in Section 4.1 of this Notice, if applicable. The Offer Shares and Offer Warrants are collectively referred to as the “Offer Securities”.

The Offer is being made to each holder of the Offer Securities (“Holder”) equally and in respect of all of the Offer Securities held by the Holders, subject to the terms and conditions set out in Section 4 of this Notice and in an offer document outlining the terms and conditions of the Offer (“Offer Document”).

To accept the Offer, the Holders should refer to the procedures for acceptance which shall be detailed in the Offer Document together with the accompanying form of acceptance and transfer for the Offer Securities (“Form of Acceptance and Transfer”), both of which will be posted to the Holders in due course, subject to the notification from the SC that it has no further comments.

3. INFORMATION ON THE JOINT OFFERORS

3.1 WONG SAK KUAN

Wong Sak Kuan, a Malaysian, aged 52, holds a Diploma in Civil Engineering from the Federal Institute of Technology in 1990. He has vast experience in various industries, including construction, land logistics, food and beverages as well as trading, recycling and the provision of paper roll rewinding services. Currently, he is the Vice Chairman and a major shareholder of Lotus KFM Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). He is also a director and shareholder of several other private companies.

Save for the above, Wong Sak Kuan does not hold any directorship or having any substantial shareholding in any other public listed company in Malaysia as at the date of this Notice.

3.2 YAU MING TECK

Yau Ming Teck, a Malaysian, aged 49, holds a Bachelor of Economics from Monash University. He is a member of the CPA Australia and the Malaysian Institute of Accountants. He has over 25 years of experience in accounting and finance. He started his career with an accounting firm in 1994 and thereafter, joined two public listed companies on Bursa Securities between 1996 and 2003. In 2004, he started his private business practice in the areas of corporate finance, mergers and acquisitions, and restructuring exercises with the focus of business in China, Singapore and Australia. Currently, he is a Director of HLT Global Berhad and UMS-Neiken Group Berhad as well as a Director and a substantial shareholder of Lotus KFM Berhad, all listed on Bursa Securities as well as several private companies.

Save for the above, Yau Ming Teck does not hold any directorship or having any substantial shareholding in any other public listed company in Malaysia as at the date of this Notice.

4. TERMS AND CONDITIONS OF THE OFFER

The salient terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are as follows:-

4.1 Consideration for the Offer

The consideration of the Offer of RM0.315 for each Offer Share (“Shares Offer Price”) and RM0.015 for each Offer Warrant (“Warrants Offer Price”) shall be satisfied wholly in cash in accordance with the method of settlement as stated in Section 4.8 of this Notice.

Notwithstanding the above, if MESB declares and/or pays any dividend and/or distribution (“Distribution”) on or after the date of this Notice but prior to the Closing Date (as defined in Section 4.5(i) of this Notice) and the Holders are entitled to retain such Distribution, the Joint Offerors shall reduce the Share Offer Price by the quantum of the Distribution per Offer Share which the Holders are



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entitled to retain. For avoidance of doubt, any reduction in the Shares Offer Price arising from the Distribution will not result in a reduction in the Warrants Offer Price. Hence, the Warrant Offer Price will remain the same notwithstanding the Distribution.

As at the date of this Notice, MESB has not declared any Distribution which is payable on or after the date of this Notice.

Holders may accept the Offer in respect of all or part of their Offer Securities. The Joint Offerors will not pay fractions of a sen, if any, to the Holders who accept the Offer (“**Accepting Holders**”). Therefore, the cash consideration payable to the Accepting Holders will be rounded down to the nearest whole sen.

4.1.1 Shares Offer Price

The Share Offer Price is equal to the highest price (excluding stamp duty and commission) paid by the Joint Offerors within six (6) months up to the date of this Notice. The Share Offer Price represents a (discount)/premium to the following market prices/volume weighted average market prices (“**VWAMPs**”) of MESB Shares:-

	Share price (RM)	(Discount) / Premium	
		(RM)	(%)
Last transacted market price on 9 October 2020, being the last market day preceding this Notice (“ LTD ”)	0.3200	(0.0050)	(1.56)
Five (5)-day VWAMP up to and including the LTD	0.3296	(0.0146)	(4.43)
1-month VWAMP up to and including the LTD	0.2941	0.0209	7.11
3-month VWAMP up to and including the LTD	0.2658	0.0492	18.51
6-month VWAMP up to and including the LTD	0.2662	0.0488	18.33
1-year VWAMP up to and including the LTD	0.2790	0.0360	12.90

(Source: Bloomberg)

4.1.2 Warrants Offer Price

In compliance with Paragraph 2 of Notes to Rule 8 of the Rules, the Warrants Offer Price should be determined by the “see-through” price, which is the excess of the offer price for the underlying securities over the exercise price of the convertible securities. In this regard, the Warrant Offer Price is determined at RM0.015, being the excess of the Share Offer Price of RM0.315 over the exercise price of the Warrants of RM0.30.

The Warrant Offer Price presents a discount to the following market prices/VWAMPs of MESB Warrants:-

	Warrant price (RM)	(Discount) / Premium	
		(RM)	(%)
Last transacted market price on LTD	0.1950	(0.1800)	(92.31)
Five (5)-day VWAMP up to and including the LTD	0.2101	(0.1951)	(92.86)
1-month VWAMP up to and including the LTD	0.1699	(0.1549)	(91.17)
3-month VWAMP up to and including the LTD	0.1536	(0.1386)	(90.23)
6-month VWAMP up to and including the LTD	0.1286	(0.1136)	(88.34)
1-year VWAMP up to and including the LTD	0.1288	(0.1138)	(88.35)

(Source: Bloomberg)



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4.2 Condition of the Offer

The Offer is **CONDITIONAL** upon the Joint Offerors having received Valid Acceptances (as defined in Section 4.4 of this Notice) by the Closing Date (provided that such acceptances are not, where permitted, subsequently withdrawn), which, together with such MESB Shares that have been acquired, held or entitled to be acquired or held by the Joint Offerors, will result in the Joint Offerors holding in aggregate **more than 50.0%** of the voting shares in MESB ("**Acceptance Condition**").

The Acceptance Condition shall be fulfilled no later than 5.00 p.m. (Malaysian time) on or before the Closing Date, which shall not be later than the 60th day from the Posting Date (as defined in Section 4.3 of this Notice), failing which the Offer shall lapse and all acceptances shall be returned to the Accepting Holders and the Joint Offerors will thereafter, cease to be bound by any such prior acceptances of the Offer.

4.3 Despatch of the Offer Document

Unless otherwise directed or permitted by the SC, the Offer will be made by the issuance of the Offer Document on a date not later than 21 days from the date of this Notice ("**Posting Date**"). An application will be made by KAF IB, on behalf of the Joint Offerors, to the SC for an extension of time if the issuance of the Offer Document is expected to be deferred beyond the requisite 21 days.

Subject to Section 4.11(i) of this Notice, the Offer Document will be despatched to the Board and all Holders whose names appear in the Record of Depositors of MESB as at the latest practicable date prior to the Posting Date.

4.4 Warranties

The Joint Offerors will acquire the Offer Securities subject to receipt of acceptances of the Offer by an Accepting Holder which is deemed by the Joint Offerors to be valid and complete in all respects and made in accordance with the provisions of the Offer Document ("**Valid Acceptance**"). Such acceptances will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holders that the Offer Securities, to which such acceptances relate, are sold:-

- (i) free from all moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equity from the date of Valid Acceptances; and
- (ii) with all rights, benefits and entitlements attached, including the right to all Distributions of any nature whatsoever declared, made or paid on or after the date of this Notice, subject to Section 4.1 of this Notice.

4.5 Duration of the Offer

- (i) The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) for a period of not less than 21 days from the Posting Date ("**First Closing Date**"), or such other later date(s) as the Joint Offerors may decide, as may be announced by KAF IB on behalf of the Joint Offerors ("**Closing Date**"), unless the Joint Offerors withdraw the Offer with the SC's prior written approval and in such event, all parties shall be released from any obligation arising from the Offer.
- (ii) If the Offer is revised after the Posting Date, it will remain open for acceptances for at least 14 days from the date of posting of the written notification of revision to the Holders. Where the terms of the Offer are revised, such terms of the revised Offer shall be made available to the Holders who had previously accepted the Offer. The Joint Offerors may not revise the Offer after the 46th day from the Posting Date.
- (iii) If a competing take-over offer is made at any time between the Posting Date and the Closing Date, the Posting Date shall be deemed to be the date the competing take-over offer document is posted.



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- (iv) Where the Offer has become or is declared unconditional as to acceptances on any day on or before the 46th day from the Posting Date, the Offer will remain open for acceptances for at least 14 days from the date on which the Offer becomes or is declared unconditional which, in any event, shall not be later than the 60th day from the Posting Date.
- (v) Where the Offer has become or is declared unconditional as to acceptances on any day after the 46th day from the Posting Date, the Offer will remain open for acceptances for at least 14 days from the date on which the Offer becomes or is declared unconditional which, in any event, shall not be later than the 74th day from the Posting Date.
- (vi) Without prejudice to Sections 4.5(iv) and (v) of this Notice, the Joint Offerors shall give at least 14 days' notice in writing to Holders before closing the Offer.
- (vii) The Joint Offerors shall not give a written notice under Section 4.5(vi) of this Notice where a competing take-over offer has been announced, unless the competing take-over offer has been declared unsuccessful or the Holders of more than 50% of the voting shares of the Offeree have irrevocably rejected the competing take-over offer in favour of the Offer.
- (viii) Any extension of the date and time for acceptance of the Offer by the Joint Offerors will be announced by KAF IB, on behalf of the Joint Offerors, at least two (2) days before the Closing Date. Such announcement will state the next closing date of the Offer. A notice of such extension will be posted to the Holders accordingly.

4.6 Right of Withdrawal by an Accepting Holder

- (i) All Valid Acceptances of the Offer by the Holders **SHALL BE IRREVOCABLE**. However, any Accepting Holder is entitled to withdraw his/her/its acceptance if the Joint Offerors fail to comply with any of the requirements set out in Section 4.9(i) of this Notice by the close of trading at Bursa Securities on the market day following the day on which the Offer is closed, becomes or is declared unconditional as to acceptances, revised or extended ("**Relevant Day**").
- (ii) Notwithstanding Section 4.6(i) of this Notice, the SC may terminate the above right of withdrawal of an acceptance if the Joint Offerors have complied with the requirements of Section 4.9(i) of this Notice within eight (8) days from the Relevant Day provided that the expiry of the 8 days period from the Relevant Day shall not fall after the 60th day from the Posting Date.
- (iii) However, the rights of an Accepting Holder who has withdrawn his/her/its valid acceptance pursuant to Section 4.6(i) 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 Joint Offerors

The Joint Offerors may only withdraw the Offer subject to SC's prior written approval.

4.8 Method of Settlement

Except with the consent of the SC and the Joint Offerors' right to reduce the Shares Offer Price as set out in Section 4.1 of this Notice, the Joint Offerors will settle the consideration 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 Joint Offerors may be entitled against the Accepting Holders. However, this is without prejudice to the Joint Offerors' right to make any claim against the Accepting Holders after such full settlement in respect of a breach of any of the warranties as set out in Section 4.4 of this Notice.



INVESTMENT BANK BERHAD (20657-W)

Subject to Valid Acceptances received under the Offer, the settlement of the consideration for the Offer will be effected via remittance in the form of cheque(s), banker's draft(s) or cashier order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agent(s), as they may direct) at the Accepting Holders' registered Malaysian addresses last maintained with Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") at their own risk within ten (10) days from:-

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

Non-resident Holders are advised that the settlement for the acceptances of the Offer will be made in Ringgit Malaysia ("**RM**"). Non-resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after the non-resident Holders' payment of the appropriate fee and/or charges as levied by the respective financial institutions.

4.9 Announcement of acceptances

- (i) The Joint Offerors will inform the SC in writing and announce via Bursa LINK, or by way of a press notice where relevant, before 9.00 a.m. (Malaysian time) on the Relevant Day, the following information:-
 - (a) the status of the Offer, that is, as to whether the Offer is closed, becomes or is declared unconditional as to the acceptances, extended or revised; and
 - (b) the total number of the Offer Securities:-
 - for which Valid Acceptances of the Offer have been received after the Posting Date;
 - held by the Joint Offerors as at the Posting Date; and
 - acquired or agreed to be acquired by the Joint Offerors during the offer period but after the Posting Date,and specifying the percentage of the total number of MESB Shares and MESB Warrants represented by these numbers.
- (ii) In computing the acceptances of the Offer Securities for announcement purposes, the Joint Offerors may include or exclude acceptances which are not in all respects in order or which are subject to verification.
- (iii) Reference to the making of an announcement or the giving of notice by the Joint Offerors shall include:-
 - (a) the release of an announcement by KAF IB or the Joint Offerors' advertising agent(s) to the press; or
 - (b) the delivery of or transmission by facsimile or Bursa LINK of an announcement to Bursa Securities.
- (iv) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities, if applicable.



4.10 Purchase in the open market

If the Joint Offerors purchase or agree to purchase any Offer Securities during the offer period at a higher consideration than the Shares Offer Price or Warrants Offer Price, the Joint Offerors shall increase the consideration for the Offer to not less than the highest price (excluding stamp duty and commission) for the Offer Securities that the Joint Offerors purchased or agreed to purchase during the offer period. In the event the Joint Offerors increase the Shares Offer Price or Warrants Offer Price, the Accepting Holders who have accepted the Offer prior to the revision in the Offer Price will be paid the revised offer price in cash.

4.11 General

(i) 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 despatched by ordinary mail to their registered Malaysian address last maintained with Bursa Depository at their own risk. Non-resident Holders with no registered Malaysian addresses maintained with Bursa Depository 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 proven, delivery of communications, notices, documents or payments shall be presumed to be effected by proper addressing, prepaying and posting by ordinary mail and such delivery shall be presumed to have been effected at the time when communications, notices, documents or payments would have been delivered in the ordinary course of the mail.

(ii) The Offer and all Valid Acceptances received under the Offer will be construed in accordance with and governed by the laws of Malaysia. The Joint Offerors and the Holders shall submit to the exclusive jurisdiction of the courts of Malaysia in respect of any proceedings brought in relation to the Offer.

(iii) The Holders may accept the Offer in respect of all or any part of their Offer Securities, However, the acceptance of the Holders shall not exceed his/her/its total holding of the Offer Securities, failing which the Joint Offerors have the right to treat such acceptances as invalid. Nevertheless, the Joint Offerors also reserve the right to treat any acceptance of the Holders exceeding his/her/its total holding of the Offer Securities as valid for and to the extent of their total holding of the Offer Securities.

(iv) The Form of Acceptance and Transfer accompanying the Offer Document will contain the following:-

- (a) provisions for the acceptance of the Offer and the transfer of the Offer Securities to the Joint Offerors or their appointed nominee(s), if any;
- (b) instructions to complete the Form of Acceptance and Transfer; and
- (c) other matters incidental to the acceptance of the Offer and the transfer of the Offer Securities to the Joint Offerors or their appointed nominee(s), if any.

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

(v) All costs and expenses of or incidental to the preparation and posting of the Offer Document will be borne by the Joint Offerors (other than the professional fees and other costs relating to the Offer that the Offeree will incur). The Joint Offerors will also bear the cost of Malaysian stamp duty and Malaysian transfer fees, if any resulting from acceptances of the Offer. Accepting Holders will however, bear all costs, expenses or other requisite payments incidental to their acceptances of the Offer such as postage fee, if any. 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 Joint Offerors.



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- (vi) Any accidental omission to despatch the Offer Document and the Form of Acceptance and Transfer to any Holder shall not invalidate the Offer in any way.

5. LISTING STATUS OF MESB AND COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING HOLDERS

5.1 Listing Status of MESB

Pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), 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 in such shares.

A listed issuer which 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 the trading in the securities of a listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. However, the non-compliance of the Public Spread Requirement would not automatically result in the delisting of MESB from the Official List of Bursa Securities.

Pursuant to Paragraph 9.19(48) of the Listing Requirements, in the event that 90% or more of MESB Shares are being held by the Joint Offerors, an immediate announcement must be made by MESB to Bursa Securities. Upon such immediate announcement and where the Joint Offerors have announced that they intend to maintain the listing status of MESB, Bursa Securities shall suspend the trading of the MESB Shares and MESB Warrants upon the expiry of 30 market days from the date of such immediate announcement. The suspension will only be uplifted upon full compliance by MESB with the Public Spread Requirement or as may be determined by Bursa Securities.

The Joint Offerors intend to maintain the listing status of MESB on the Main Market of Bursa Securities. Accordingly, in the event MESB does not comply with the Public Spread Requirement as a result of the acceptances received under the Offer, the Joint Offerors will work together with MESB to rectify the public shareholding spread of MESB within three (3) months from the Closing Date or such extended timeframe as may be allowed by the relevant authorities. As at the date of this Notice, no arrangements on the above have been made.

Nevertheless, the Holders should note that any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the approval of the shareholders of MESB. The actual course of action to be taken is dependent on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time.

The Holders should also note that while the Joint Offerors will work together with MESB to attempt to rectify any shortfall in the public shareholding spread of MESB, there can be no assurance that the public shareholding spread of MESB can be rectified within the stipulated timeframe. In the event that MESB does not meet the Public Spread Requirement within the stipulated timeframe, the Joint Offerors and/or MESB may seek an extension of time from the relevant authorities. However, Bursa Securities reserves the absolute right to grant an extension or to reject the application.

For the avoidance of doubt, any decision to rectify the shortfall in the Public Spread Requirement will be subject to the Joint Offerors retaining a collective equity interest of more than 50% in MESB.

5.2 Compulsory acquisition

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

- (i) has made a take-over offer for all the shares or all the shares in any particular class in an offeree; and



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- (ii) has received acceptances of not less than nine-tenths in the nominal value of the offer shares, the offeror may, within four (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 shareholders provided that the notice:-
- (i) is issued within two (2) months from the date of achieving the conditions under Sections 222(1)(a) and 222(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 acceptances shall not include shares already held at the date of the take-over offer by the offeror or the persons acting in concert.

In this regard, if the Joint Offerors receive acceptances of not less than nine-tenths in the value of the Offer Shares (excluding MESB Shares already held by the Joint Offerors as at the date of the Offer), **the Joint Offerors do not intend to invoke the provisions of Section 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Securities for which Valid Acceptances have not been received prior to the Closing Date even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.

5.3 Rights of Dissenting Holders

Notwithstanding the above, subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Joint Offerors receive Valid Acceptances from the Holders resulting in the Joint Offerors holding not less than nine-tenths in the value of all the shares in MESB on or before the Closing Date, a Holder who has not accepted the Offer (“**Dissenting Holder**”) may exercise his/her/its rights under Section 223(1) of the CMSA, by serving a notice on the Joint Offerors to require the Joint Offerors to acquire his/her/its Offer Securities on the same terms as set out in the Offer Document or such other terms as may be agreed between the Joint Offerors and such Dissenting Holder.

If a Dissenting Holder invokes the provision of Section 223(1) of the CMSA, the Joint Offerors shall acquire such Offer Securities 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/its rights under Section 223(1) of the CMSA, on an application made by such Dissenting Holder or by the Joint Offerors to a competent court, the court may order that the terms on which the Joint Offerors shall acquire such Offer Securities shall be as the court thinks fit.

Section 223(2) of the CMSA requires the Joint Offerors to give the Dissenting Holder a notice in the manner specified by the SC of the rights that are exercisable by the Dissenting Holders under Section 223(1) of the CMSA, within one (1) month from which the Joint Offerors have acquired not less than nine-tenths in the value of all the MESB Shares. Such notice 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 three (3) months after the Closing Date.

6. FINANCIAL RESOURCES

The Joint Offerors confirm that they have sufficient financial resources to satisfy full acceptance of the Offer and that the Offer will not fail due to insufficient financial capability and that every Holder who wishes to accept the Offer will be paid in fully in cash.

KAF IB, being the principal adviser to the Joint Offerors in respect of the Offer, is satisfied and confirms that the Offer will not fail due to insufficient financial capability of the Joint Offerors and that every Accepting Holder will be paid in full in cash.



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7. DISCLOSURE OF INTEREST IN MESB

In accordance with Paragraph 9.10(3)(d) and 9.10(3)(e) of the Rules, the Joint Offerors hereby disclose that as the date of this Notice:-

- (i) the shareholdings of the Joint Offerors in MESB are as follows:-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Wong Sak Kuan	35,507,898	33.47	-	-
Yau Ming Teck	11,324,206	10.67	-	-

- (ii) the Joint Offerors do not hold any MESB Warrants;
- (iii) the Joint Offerors have not received any irrevocable undertaking from any Holder to accept or reject the Offer;
- (iv) the Joint Offerors have not entered into or been granted with any option to acquire any of the Offer Securities; and
- (v) there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Securities between the Joint Offerors and any Holder.

8. OFFERORS' RESPONSIBILITY STATEMENT

The Joint Offerors have seen and approved this Notice. The Joint Offerors accept full responsibility for the accuracy of the information contained in this Notice and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts not contained in this Notice, the omission of which would make any statement in this Notice false or misleading.

Information relating to MESB in this Notice was obtained from Bursa Securities' website and other publicly available information. In this regard, the responsibility of the Joint Offerors is restricted to ensuring that such information has been accurately reproduced in this Notice.

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9. PUBLIC RELEASE

In accordance with the provisions 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 despatched to the Holders in due course.

Kindly acknowledge receipt of this Notice by signing and returning the duplicate copy of this Notice to us.

Yours faithfully,
For and on behalf of
KAF INVESTMENT BANK BERHAD

ROHAIZAD ISMAIL
Chief Executive Officer

YAP CHIN FATT
Director
Corporate Finance

To: KAF Investment Bank Berhad

We, MESB Berhad, hereby acknowledge receipt of the Notice of Conditional Mandatory Take-Over Offer dated 12 October 2020.

For and on behalf of the
Board of Directors of MESB Berhad:-

Signature : _____
Name : tan Bee Hin
Designation : Assistant Manager
Date : _____

