

**Petaling Tin Berhad**

**Petaling Tin Berhad**

Registration No. 192001000048 (324-H)  
1<sup>st</sup> Floor, No. 118, Jalan Semangat,  
46300 Petaling Jaya,  
Selangor, Malaysia  
Tel: (603) 7968 1222  
Fax: (603) 7954 1155

**SULIT & PERSENDIRIAN**

22 November 2019

**SURUHANJAYA SEKURITI MALAYSIA**

No. 3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

**Attention: Puan Zulaiha Subohi**  
**Jabatan Pengambilalihan dan Percantuman**

Puan,

**PETALING TIN BERHAD ("PTB" OR THE "COMPANY")**

**PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE UNDER SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")**

We refer to the above-captioned and wish to inform the Securities Commission Malaysia that the Board of Directors of PTB ("**Board**") has, on today, received a letter from its controlling shareholder, namely Tan Sri Dr Chen Lip Keong, requesting for PTB to undertake the Proposed SCR. The Proposed SCR involves PTB undertaking a selective capital reduction and a corresponding capital repayment (equivalent to **RM0.40** for each ordinary share in PTB) to all the entitled shareholders of PTB on an entitlement date to be determined later.

A copy of the above-mentioned letter is attached herewith for your information.

The Board (save for the interested Director, namely Chen Yiy Fon) will deliberate on the above matter and a press notice will be made in due course.

Yours faithfully,  
For and on behalf of  
**PETALING TIN BERHAD**

  
**DATUK WAN KASSIM BIN AHMED**  
Chairman  
Independent Non-Executive Director

Encl.

c.c. Tan Sri Dr Chen Lip Keong ("**Offeror**") / Ms Yew Nyuk Kwei (Company Secretary of PTB)

Company : The News Straits Times  
Attention : The Editor, Business Section  
Fax No. : 03-2056 7151

Company : The Star  
Attention : The Editor, Business Section  
Fax No. : 03-7955 4039 / 03-7845 4644

Company : Berita Harian  
Attention : The Editor, Business Section  
Fax No. : 03-2056 7081

Company : The Sun  
Attention : The Editor, Business Section  
Fax No. : 03-7785 2624 / 2625

Company : Bernama  
Attention : The Editor, Business Section  
Fax No. : 03-2698 9968

Company : The Edge  
Attention : The Editor, Business Section  
Fax No. : 03-7721 8038

Company : The Malaysian Reserve  
Attention : The Editor, Business Section  
Fax No. : 03-6211 1852

Company : Nanyang Siang Pau  
Attention : The Editor, Business Section  
Fax No. : 03-7872 6993

Company : Sin Chew Jit Poh (Malaysia)  
Attention : The Editor, Business Section  
Fax No. : 03-2031 5466

Date: 22 November 2019

The Board of Directors  
**PETALING TIN BERHAD**  
1st Floor, No. 118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**PETALING TIN BERHAD ("PTB" OR THE "COMPANY")**

**PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE UNDER SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")**

## I. INTRODUCTION

I, Tan Sri Dr Chen Lip Keong ("**Tan Sri Dr Chen**" or the "**Offeror**" or the "**Non-Entitled Shareholder**"), in my capacity as the controlling shareholder of PTB, hereby write to notify you of my intention to privatise PTB by way of a selective capital reduction and repayment exercise under Section 116 of the Companies Act, 2016 ("**Offer Letter**").

As at 15 November 2019, being the latest practicable date prior to this Offer Letter ("**LPD**"), I hold 334,845,142 ordinary shares in PTB ("**PTB Share(s)**" or "**Share(s)**"), representing 96.82% of the total issued shares of PTB (excluding treasury shares).

The salient details of the Proposed SCR are set out in the ensuing sections of this Offer Letter. I therefore request the Company to deliberate on the Proposed SCR and to present the Proposed SCR to the Entitled Shareholders (as defined herein) for their consideration and approval.

## 2. DETAILS OF THE PROPOSED SCR

The Proposed SCR involves PTB undertaking a selective capital reduction and a corresponding capital repayment to all the shareholders of PTB, other than the Non-Entitled Shareholder, whose names appear in the record of depositors of the Company as at the close of business on an entitlement date to be determined later ("**Entitlement Date**") ("**Entitled Shareholder(s)**").

2.1 The salient terms of the Proposed SCR are as follows:-

- (a) As at the LPD, the Entitled Shareholders collectively hold 10,985,837 PTB Shares, representing 3.18% of the total issued shares of PTB (excluding treasury shares). Under the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM4,394,334.80, which represents a cash amount of RM0.40 for each PTB Share ("**SCR Offer Price**") held by them on the Entitlement Date. For avoidance of doubt, the Non-Entitled Shareholder will not be entitled to the capital repayment under the Proposed SCR.
- (b) As at the LPD, PTB has an issued share capital of RM390,056,677 comprising 346,102,679 PTB Shares (including 271,700 treasury shares). The issued share capital of PTB will be reduced by way of cancellation of all the PTB Shares held by the Entitled Shareholders. Accordingly, the issued share capital of PTB will be reduced by RM4,394,334.80.
- (c) All PTB Shares held by the Entitled Shareholders will be cancelled under the Proposed

SCR. Any PTB Shares which are not cancelled will continue to be held by the Non-Entitled Shareholder, and accordingly, the Non-Entitled Shareholder will hold 334,845,142 PTB Shares, representing the entire equity interest in PTB (excluding treasury shares) upon the completion of the Proposed SCR ("Completion"). For avoidance of doubt, the 271,700 PTB Shares that are currently held as treasury shares will not be cancelled before the completion of the Proposed SCR.

(d) The actual number of PTB Shares to be cancelled under the Proposed SCR would be dependent on the share capital of PTB and the shareholdings of the Entitled Shareholders in the Company on the Entitlement Date. Consequently, the total repayment amount will be determined at the relevant point in time.

(e) For illustrative purpose, the proforma effects of the Proposed SCR on the share capital of PTB as at the LPD are as follows:-

	No. of Shares	RM
Issued share capital	346,102,679	390,056,677
Less: treasury shares	(271,700)	(68,236)
	<u>345,830,979</u>	<u>389,988,441</u>
Shares to be cancelled under the Proposed SCR	(10,985,837)	(4,394,335) <sup>1</sup>
Resultant issued share capital	<u>334,845,142</u>	<u>385,594,106</u>

Note:

<sup>1</sup> number has been rounded to the nearest whole figure.

2.2 The Proposed SCR will be funded via the internally generated funds of PTB.

The Offeror has confirmed that the Proposed SCR would not fail due to the insufficient financial capability of the Company, and that every Entitled Shareholders will be paid in full by cash.

2.3 The Offeror and the person(s) acting in concert with the Offeror had not acquired any PTB Shares at a price higher than the SCR Offer Price during the past 3 months prior to the date of this Offer Letter.

Should the Offeror or any person(s) acting in concert with the Offeror purchases or agrees to purchase any PTB Shares during the period commencing from the date of this Offer Letter until the completion of the Proposed SCR at a consideration that is higher than the SCR Offer Price, the Offeror shall cause the Company to increase the SCR 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 person(s) acting in concert with the Offeror.

2.4 If PTB declares and/ or pays any dividends and/ or distributions of any nature whatsoever ("Distributions") in favour of its shareholders whereby the entitlement date for such Distributions is on or after the date of this Offer Letter up to the completion of the Proposed SCR and the shareholders are entitled to retain such Distributions, the Offeror shall cause the Company to reduce the SCR Offer Price by the quantum of the Distributions per Share that such shareholders are entitled to retain. For avoidance of doubt, no adjustment shall be made to the SCR Offer Price in the event that the entitlement date for the Distributions is after the completion of the Proposed SCR.

2.5 PTB is currently an unlisted public entity. For information purpose, PTB was de-listed and removed from the official list of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 August 2018.

### 3. BASIS OF ARRIVING AT THE SCR OFFER PRICE

The SCR Offer Price was arrived at after taking into consideration of, amongst others, the following:-

(i) a price-to-book multiple of 0.41 times, based on the latest audited consolidated net assets per PTB Share for the financial year ended ("FYE") 31 March 2019 of RM0.97;

- (ii) it is equivalent to the previous offer price per PTB Share of RM0.40 under the Previous Offer (as defined herein) which was undertaken by the Offeror on 31 May 2018, and which had subsequently closed on 26 July 2018; and
- (iii) a premium of RM0.01 or approximately 2.6% over the last transacted price of PTB Shares of RM0.39 as at 2 August 2018, being the last trading day prior to the suspension of trading of PTB Shares, and thereafter followed by the de-listing of PTB from the official list of Bursa Securities as mentioned in Section 2.5 of this Offer Letter.

For information purpose, the price-to-earnings multiple of PTB based on the latest audited consolidated earnings per share of PTB for the FYE 31 March 2019 is not applicable, as PTB had recorded loss after taxation of RM3.43 million for the financial year under review.

#### 4. RATIONALE

##### Background of Previous Offer and de-listing of PTB Shares

On 31 May 2018, the Offeror undertook an unconditional voluntary take-over offer to acquire all the remaining PTB Shares not already held by the Offeror for a cash offer price of RM0.40 per PTB Share ("Previous Offer"). The Previous Offer had closed on 26 July 2018.

Subsequently, on 3 August 2018, the trading in PTB Shares on the Main Market of Bursa Securities was suspended in view that Offeror holds more than 90.0% equity interest in PTB in relation to the Previous Offer, and that the Offeror has no intention to maintain the listing status of PTB as stated in the offer document dated 21 June 2018. Thereafter, PTB was de-listed and removed from the official list of Bursa Securities on 16 August 2018.

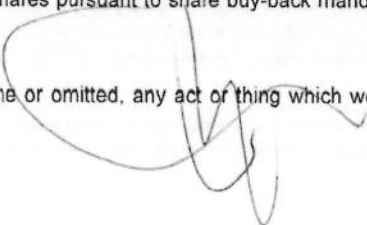
##### Opportunity for holders to realise their investments in the unlisted PTB Shares

Following the above-mentioned series of events and that PTB is presently an unlisted public entity, PTB is no longer subject to the requirements and obligations of a regulatory framework, i.e. Bursa Securities, which may then lack transparency and visibility of information (such as financial performance/ position, material developments, organisational/ structural change in the PTB group of companies) that are usually or timely disclosed to the public. Further, the Entitled Shareholders may experience difficulty and limited opportunities in realising their investments in PTB as there is no formal market, i.e. Main Market of Bursa Securities, for the Entitled Shareholders to trade in their unlisted securities held.

Premised on the above, the Offeror is of the opinion that the Proposed SCR provides the most appropriate avenue for the Entitled Shareholders to exit the Company and realise their investments in the unlisted securities held in PTB.

#### 5. COVENANTS

5.1 From the date of your acceptance of the terms of this Offer Letter until the Completion, PTB shall undertake that:-

- (a) PTB will not conduct any form of capital raising exercise, whether in the form of debt or equity, and will not grant any options over PTB Shares or issue any new PTB Shares;
  - (b) PTB and its subsidiaries, associates and joint ventures will not enter into any material commitment or material contract or undertake any obligation or acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
  - (c) PTB will not pass any resolution in general meeting (other than in respect of any ordinary business tabled in an annual general meeting or in connection with the Proposed SCR) or make any alteration to the provisions of the Constitution of PTB or any PTB's subsidiaries, unless it is in relation to the Proposed SCR;
  - (d) PTB shall not acquire any more of its own Shares pursuant to share buy-back mandate; and
  - (e) PTB will not do or cause, or allow to be done or omitted, any act or thing which would
- 

result (or be likely to result) in a breach of any lawful obligation of PTB or any of its subsidiaries;

without my prior written consent.

5.2 In addition, PTB shall agree with and undertake to me that it shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of PTB or any privatisation proposal involving PTB or any of its subsidiaries at any time from the date of this letter until the Completion without my prior written consent.

5.3 PTB shall also agree with and undertake to me that, as from the date of this Offer Letter until the Completion, the Company (and using reasonable endeavours to cause and procure that of its subsidiaries) shall carry on its business only in the usual, regular and ordinary course in substantially the same manner as the same is carried on as of the date of this Offer Letter so as to preserve its relationships with all parties to the end that its goodwill and going concern shall not be materially impaired at Completion, save as otherwise agreed in writing by me.

## 6. CONDITIONS PRECEDENT

6.1 Completion of the Proposed SCR shall be subject to the fulfilment of all requisite conditions precedent including, but are not limited to the following:-

- (i) the approval of the Board of Directors of PTB ("**Board**") (save for the interested Director, namely Chen Yiy Fon ("**Interested Director**")) for the Proposed SCR;
- (ii) the approval of the Entitled Shareholders for the Proposed SCR to be tabled at an extraordinary general meeting ("**EGM**") via a special resolution which must be approved by:-
  - (a) at least a majority in number of the Entitled Shareholders and 75% in value to the votes attached to the PTB Shares held by the Entitled Shareholders that are cast either in person or by proxy at the EGM; and
  - (b) the value of the votes cast against the special resolution for the Proposed SCR is not more than 10% of the votes attached to the PTB Shares held by the Entitled Shareholders of the total voting shares of the Company;
- (iii) the approval or consent of the existing financiers and/ or creditors of PTB and/ or its subsidiaries, where required; and
- (iv) the grant of an order of the High Court of Malaya approving the Proposed SCR ("**Order**").

6.2 The Proposed SCR will become effective on a date immediately upon the lodgment of an official copy of the Order with the Registrar of Companies ("**Effective Date**"). The payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Effective Date, but in any event not later than 10 days from the Effective Date.

## 7. OTHER MATTERS

Given that the Proposed SCR is at my request, I, confirm that:-

- (i) I, the Interested Director, namely Chen Yiy Fon, and any person(s) connected to me/ Interested Director, who are deemed interested in the Proposed SCR, will abstain from all deliberations and voting at the relevant Board meeting (where applicable) pertaining to the Proposed SCR, and will also abstain from voting on the special resolution for the Proposed SCR at the EGM, in respect of my/ our direct/ indirect shareholdings in PTB (if any);
- (ii) As at the LPD, I have not received any irrevocable undertaking from any Entitled Shareholder to vote in favour of the special resolution for the Proposed SCR at the EGM; and
- (iii) As at the LPD, there is no existing or proposed agreement, arrangement or understanding in

relation to PTB Shares between myself and any of the Entitled Shareholders.

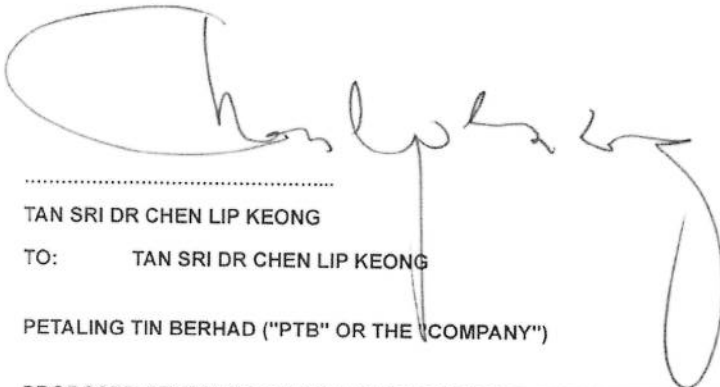
**8. GOVERNING LAW AND DISPUTE RESOLUTION**

The Proposed SCR and any agreement constituted by the acceptance of this Offer Letter shall be governed by the laws of Malaysia and each party will submit to non-exclusive jurisdiction of the courts of Malaysia.

**9. ACCEPTANCE PERIOD**

If the Board (save for the Interested Director) is agreeable to take steps to implement the Proposed SCR and to recommend the Proposed SCR to the Entitled Shareholders upon the terms envisaged in this Offer Letter, please execute the enclosed duplicate of this letter at the place indicated, and return the same to me so as to be received by me no later than 5.00 p.m. on 10 December 2019 (or such other date as may be extended by me in writing), after which the proposal in this Offer Letter shall lapse.

Yours faithfully,



.....  
TAN SRI DR CHEN LIP KEONG

TO: TAN SRI DR CHEN LIP KEONG

PETALING TIN BERHAD ("PTB" OR THE "COMPANY")

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE UNDER SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")

We hereby agree and accept the terms of your Offer Letter.

Yours faithfully,  
For and on behalf of  
PETALING TIN BERHAD

\_\_\_\_\_

Name :

Designation

Date :