

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSED SCR (AS DEFINED HEREIN).**

If you have sold or transferred all your shares in Petaling Tin Berhad ("**PTB**" or the "**Company**"), you should hand this Document together with the enclosed Proxy Form immediately to the person through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee.

The Securities Commission Malaysia ("**SC**") has notified that it has no further comments to this Document pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the Board of Directors of PTB, or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

## **PETALING TIN BERHAD**

(Registration No. 192001000048 (324-H))  
(Incorporated in Malaysia)

### **PART A**

#### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF PTB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016**

**("PROPOSED SCR")**

### **PART B**

#### **INDEPENDENT ADVICE LETTER FROM PUBLIC INVESTMENT BANK BERHAD TO THE ENTITLED SHAREHOLDERS OF PTB IN RELATION TO THE PROPOSED SCR**

**AND**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser for Part A*

**UOBKayHian**

**UOB KAY HIAN SECURITIES (M) SDN BHD**

(Registration No. 199001003423 (194990-K))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Independent Adviser for Part B*



**PUBLIC INVESTMENT BANK BERHAD**

(Registration No. 197401002880 (20027-W))  
A Participating Organisation Of Bursa Malaysia Securities Berhad  
(Wholly-owned Subsidiary Of Public Bank Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of PTB and the Proxy Form are enclosed in this Document. The EGM will be held as follows:-

Date and time of the EGM	:	Wednesday, 5 February 2020 at 11.00 a.m.
Venue of the EGM	:	Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan, Malaysia
Last date and time for lodging the Proxy Form	:	Monday, 3 February 2020 at 11.00 a.m.

A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf. The Proxy Form should be deposited at the Company's Registered Office at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof. The lodgment of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the meeting should you subsequently wish to do so.

This Document is dated 14 January 2020

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## DEFINITION

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The following definitions shall apply throughout this Document unless the context requires otherwise:-

"Act"	: Companies Act, 2016
"Board"	: Board of Directors of PTB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CDS"	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
"CDS Account"	: A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
"Circular"	: The circular to shareholders of PTB dated 14 January 2020 in relation to the Proposed SCR, which is set out in <b>Part A</b> of this Document
"CMSA"	: Capital Markets and Services Act 2007
"Completion"	: The completion of the Proposed SCR, whereby all PTB Shares held by the Entitled Shareholders will be cancelled. Upon Completion, the Non-Entitled Shareholder will own 100.0% equity interest in PTB
"Director(s)"	: A natural person who holds directorship in the Company and shall have the meaning given in Section 2(1) of the CMSA and includes:-  (i) in the case of an issuer of structured warrants, a director of the issuer of the structured warrants;  (ii) in the case of an applicant or listed issuer which is a collective investment scheme, a director of a management company; or  (iii) in the case of an applicant or listed issuer which is a business trust, a director of the trustee-manager
"Document"	: This entire document (which comprises the Circular, the IAL and all the accompanying appendices) to shareholders of PTB dated 14 January 2020 in relation to the Proposed SCR
"Effective Date"	: The date on which the office copy of the order granted by the High Court confirming the reduction of share capital in accordance with Section 116 of the Act has been lodged with the Registrar pursuant to Section 116(6) of the Act
"EGM"	: Extraordinary general meeting
"Entitled Shareholders"	: All the shareholders of PTB (other than the Non-Entitled Shareholder) whose names appear on the ROD and ROM of PTB as at the Entitlement Date
"Entitlement Date"	: The date on which the names of the Entitled Shareholders must be registered in the ROD and ROM of PTB as at the close of business for the purpose of determining their entitlement under the Proposed SCR, which shall be determined later by the Board
"EPS/ LPS"	: Earnings/ (loss) per share

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**DEFINITION (Cont'd)**

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"FYE"	:	Financial year ended/ ending, as the case may be
"High Court"	:	High Court of Malaya
"IAL"	:	Independent advice letter dated 14 January 2020 from the Independent Adviser to the Entitled Shareholders in relation to the Proposed SCR, which is set out in <b>Part B</b> of this Document
"Interested Director"	:	Chen Yiy Fon, being the Chief Executive Officer/ Non-Independent Executive Director of PTB, who is also the son of the Offeror
"LPD"	:	9 January 2020, being the latest practicable date, which is within 7 days prior to the despatch of this Document
"MacReal"	:	MacReal International Sdn Bhd (Registration No. 200601015145 (734897-T)), being the independent registered valuer for the Proposed SCR
"Market Day(s)"	:	A day(s) on which Bursa Securities is open for trading in securities
"NA"	:	Net assets
"Non-Interested Shareholders"	:	All shareholders of PTB, other than the Offeror or any person(s) acting in concert with him
"Official List"	:	A list specifying all securities listed on Bursa Securities
"PAT/ LAT"	:	Profit/ loss after taxation
"PIVB" or the "Independent Adviser"	:	Public Investment Bank Berhad (Registration No. 197401002880 (20027-W))
"Previous Offer"	:	An unconditional voluntary take-over offer served on the Board on 31 May 2018 by Tan Sri Dr Chen to acquire all the remaining PTB Shares not already held by him at a cash consideration of RM0.40 per PTB Share. The Previous Offer closed on 26 July 2018
"Proposed SCR"	:	Proposed selective capital reduction and repayment exercise of PTB pursuant to Section 116 of the Act
"PTB" or the "Company"	:	Petaling Tin Berhad (Registration No. 192001000048 (324-H))
"PTB Group" or the "Group"	:	Collectively, PTB and its subsidiaries
"PTB Share(s)" or "Share(s)"	:	Ordinary share(s) in PTB
"Registrar"	:	Registrar of Companies in Malaysia
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"ROD"	:	Record of depositors
"ROM"	:	Register of members
"Rules"	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
"SC"	:	Securities Commission Malaysia
"SCR Offer Letter"	:	The offer letter dated 22 November 2019 from the Offeror, requesting the Company to undertake the Proposed SCR

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**DEFINITION (Cont'd)**

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- "SCR Offer Price" : RM0.40 per PTB Share, being the cash consideration to be paid for each PTB Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR. Based on the 10,985,837 PTB Shares held by the Entitled Shareholders as at the LPD and the SCR Offer Price, the Entitled Shareholders will receive a total capital repayment of RM4,394,334.80, and accordingly, the issued share capital of PTB will be reduced by RM4,394,334.80 by way of cancellation of all the PTB Shares held by the Entitled Shareholders
- "Tan Sri Dr Chen" or "Offeror" or "Non-Entitled Shareholder" : Tan Sri Dr Chen Lip Keong, being the controlling shareholder of PTB, who requested PTB to undertake the Proposed SCR. As the Non-Entitled Shareholder, he will not be entitled to the capital repayment pursuant to the Proposed SCR
- "UOBKH" or the "Principal Adviser" : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Document shall be a reference to Malaysian time, unless otherwise specified. Where a period specified in the Rules which appears in this Document ends on a day which is not a Market Day, the period is extended until the next Market Day.

Any discrepancies in the tables included in this Document between the amounts listed, actual figures and the totals thereof are due to rounding.

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**PART A**

**CIRCULAR TO SHAREHOLDERS OF PTB IN RELATION TO THE PROPOSED SCR**

# PETALING TIN BERHAD

Registration No. 192001000048 (324-H)  
(Incorporated in Malaysia)

## Registered Office

1st Floor, No.118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan

14 January 2020

## Board of Directors

Datuk Wan Kassim Bin Ahmed (*Chairman, Independent Non-Executive Director*)  
Chen Yiy Fon (*Chief Executive Officer, Non-Independent Executive Director*)  
Lim Mun Kee (*Independent Non-Executive Director*)

**To: The shareholders of PTB**

Dear Sir/ Madam,

## **PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF PTB PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016**

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### **1. INTRODUCTION**

- 1.1 On 22 November 2019, the Company received the SCR Offer Letter from its controlling shareholder, namely Tan Sri Dr Chen, informing the Board of his intention to privatise PTB by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Act.
- 1.2 On 26 November 2019, the Board (save for the Interested Director) had appointed PIVB as the Independent Adviser to provide its comments, opinion, information and recommendations on the Proposed SCR to the non-interested Directors and to the Entitled Shareholders. The IAL is set out in **Part B** of this Document.
- 1.3 On 10 December 2019, the Board (save for the Interested Director) had deliberated on the contents of the SCR Offer Letter and resolved to present the Proposed SCR to the Entitled Shareholders for their consideration and approval.
- 1.4 The SC had, vide its letter dated 13 January 2020, notified that the SC has no further comments to this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the Board or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

**THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSED SCR, AND TO SEEK THE APPROVAL FROM THE NON-INTERESTED SHAREHOLDERS VIA A SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED HEREIN.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR AT THE FORTHCOMING EGM.**

## 2. PROPOSED SCR

### 2.1 Details of the Proposed SCR

The Proposed SCR involves PTB undertaking a selective capital reduction and a corresponding capital repayment pursuant to Section 116 of the Act in respect of the PTB Shares held by the Entitled Shareholders on the Entitlement Date.

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).

As at the LPD, the direct and indirect shareholdings of the Offeror in PTB are as follows:-

Non-Entitled Shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>
Tan Sri Dr Chen	334,845,142 <sup>*2</sup>	96.82	-	-

**Notes:-**

<sup>\*1</sup> Computed based on 345,830,979 PTB Shares in issue (excluding treasury shares)

<sup>\*2</sup> 286,971,923 PTB Shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local)

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

- (i) 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 held by them on the Entitlement Date. For the avoidance of doubt, the Non-Entitled Shareholder will not be entitled to the capital repayment under the Proposed SCR.
- (ii) 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.
- (iii) 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 upon the Completion. In conjunction with the Proposed SCR, all treasury shares held by the Company will be cancelled.
- (iv) The actual number of PTB Shares to be cancelled under the Proposed SCR would be dependent on 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.



- (v) 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 <sup>*1</sup>	(271,700)	-
Less: Shares to be cancelled under the Proposed SCR	(10,985,837)	(4,394,335) <sup>*2</sup>
<b>Resultant issued share capital</b>	<b>334,845,142</b>	<b>385,662,342</b>

**Notes:-**

<sup>\*1</sup> In conjunction with the Proposed SCR, all the treasury shares held by the Company will be cancelled

<sup>\*2</sup> Based on the 10,985,837 PTB Shares held by the Entitled Shareholders as at the LPD, the total cash repayment pursuant to the Proposed SCR is approximately RM4,394,335 which represents a cash amount of RM0.40 per PTB Share

- (vi) The Offeror and/ or any 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 22 November 2019, being the date the SCR Offer Letter was served to the Board.

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 the SCR Offer Letter until the Completion 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.

- (vii) As at the LPD, the Offeror or any person(s) acting in concert with the Offeror has not received any irrevocable undertaking from any Non-Interested Shareholder to vote in favour of or against the resolution on the Proposed SCR to be tabled at the forthcoming EGM. In addition, as at the LPD, save for the SCR Offer Letter, PTB has not received any alternative proposal which is still subsisting for the PTB Shares or any other offer to acquire its assets or liabilities.

## 2.2 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 NA per PTB Share for the 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; and
- (iii) a premium of 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 Circular.

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

### **2.3 Distribution**

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 the SCR Offer Letter up to the Completion and the shareholders are entitled to retain such Distributions, the SCR Offer Price shall be reduced by the quantum of the Distributions per Share that such shareholders are entitled to retain. For the 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.

### **2.4 Funding**

The Proposed SCR will be funded via 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.

UOBKH and the Board confirm that the Proposed SCR, once effective, will not fail by reason of insufficient financial capability of the Company and that every Entitled Shareholders will be paid in full by way of cash.

### **2.5 Listing Status**

PTB is currently an unlisted public entity. PTB was de-listed and removed from the Main Market of Bursa Securities on 16 August 2018.

### **2.6 Covenants**

- (i) From the date of PTB's acceptance of the terms of the SCR Offer Letter until the Completion, PTB undertakes 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 the prior written consent of Tan Sri Dr Chen.

- (ii) In addition, PTB agrees with and undertakes to the Offeror 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 the SCR Offer Letter until the Completion without the prior written consent of Tan Sri Dr Chen.
- (iii) PTB also agrees with and undertakes to the Offeror that, as from the date of the SCR 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 the SCR 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 Tan Sri Dr Chen.

### 3. **MODE AND TIMING OF SETTLEMENT**

The settlement of the SCR Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend accounts duly registered with Bursa Depository within 10 days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/ or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk within 10 days from the Effective Date.

Except with the consent of the SC, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counterclaim or other analogous rights to which the Company may otherwise be, or claim to be, entitled against the Entitled Shareholders.

Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/ or charges as levied by the respective financial institutions.

### 4. **RATIONALE**

The Proposed SCR is undertaken pursuant to the SCR Offer Letter. The Proposed SCR as requested by the Non-Entitled Shareholder represents an opportunity for the Entitled Shareholders to exit and realise their investment in PTB as well as for the Non-Entitled Shareholder to obtain greater flexibility in managing PTB's business and operations, after taking into consideration the following:-

#### **Opportunity for the Entitled Shareholders to realise their investments in the unlisted PTB Shares**

On 31 May 2018, the Offeror undertook the Previous Offer, which entails an unconditional voluntary take-over offer by the Offeror to acquire all the remaining PTB Shares not already held by the Offeror for a cash offer price of RM0.40 per PTB Share. 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 the Offeror holds more than 90.0% equity interest in PTB as a result of 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.

Following the abovementioned series of events and given 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 of PTB.

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 of PTB.

#### **Greater flexibility in managing PTB's business and operations**

Upon the completion of the Proposed SCR, the Non-Entitled Shareholder will be the sole shareholder of PTB and hence the Proposed SCR will accord the Non-Entitled Shareholder greater flexibility in the implementation of any business initiatives and/ or operational changes of PTB Group, if any, moving forward. In addition, the Proposed SCR will also facilitate the elimination of administrative efforts and costs pertaining to PTB's obligations to its shareholder, which can be utilised more efficiently in the business of PTB and/ or to facilitate the aforementioned initiatives and/ or operational changes in the future.

### **5. FUTURE PLANS FOR PTB GROUP AND ITS EMPLOYEES**

The Board (save for the Interested Director) has taken note of the Offeror's intention in respect of the business and employees of PTB Group after the Completion, and the Offeror's intended future plans for PTB Group are set out below:-

#### **(i) Continuation of PTB Group's businesses**

The Offeror intends to continue with the existing core businesses and operations of the PTB Group and do not have any plan and/ or intention to liquidate any companies within PTB Group. If the need arises, the Offeror may review the business and operations of PTB Group in the best interests of the PTB Group in order to remain competitive.

#### **(ii) Major changes to PTB Group's businesses**

The Offeror does not have any immediate plan and/ or intention to introduce or effect material changes to the existing businesses, dispose any major assets or undertake any major redeployment of the fixed assets of PTB Group upon the Completion, except where such change, disposal and/ or redeployment is necessary as to rationalise the business activities and/ or direction of the Group or to improve the prospects and future growth of the PTB Group.

#### **(iii) Employees**

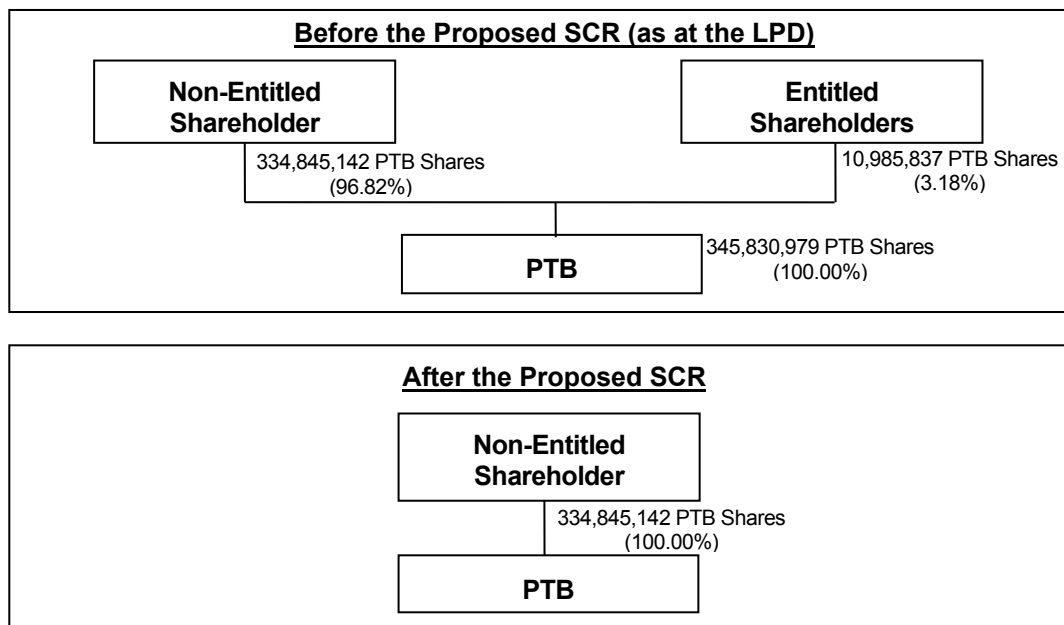
The Offeror does not have any plan to dismiss or make redundant any of the existing employees of PTB Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, some changes with regard to staff employment and redeployment of staff may take place as a result of the subsequent review by the Offeror on PTB Group's employment structure, role of individual employees, rationalisation of business activities and/ or direction to further improve productivity and efficiency of the operations of PTB Group.

The abovementioned plans are only the intention of the Offeror, and the Offeror shall retain flexibility at any time to consider any options which are in the interest of PTB Group that may present itself.

As at the LPD, the Board (save for the Interested Director) has also taken note that the Offeror has not entered into any negotiation or arrangement or understanding whatsoever with any third party with regard to any significant change in PTB Group's businesses, assets or the Company's shareholding structure.

## 6. SHAREHOLDING STRUCTURE

The shareholding structure of PTB before and after the Proposed SCR is set out below:-



**Note:-**

*The computation of the percentages stated above has excluded 271,700 PTB Shares that are currently held as treasury shares. For the avoidance of doubt, all the treasury shares will be cancelled in conjunction with the Proposed SCR. Therefore, after the Proposed SCR, there will not be any treasury shares held by the Company*

## 7. EFFECTS OF THE PROPOSED SCR

The effects of the Proposed SCR are set out below:-

### 7.1 Issued share capital

The pro forma effects of the Proposed SCR on the issued share capital of PTB as at the LPD are set out below:-

	No. of Shares	RM
Issued share capital	346,102,679	390,056,677
Less: Treasury shares <sup>*1</sup>	(271,700)	-
Less: Shares to be cancelled under the Proposed SCR	(10,985,837)	(4,394,335) <sup>*2</sup>
<b>Resultant issued share capital</b>	<b>334,845,142</b>	<b>385,662,342</b>

**Notes:-**

<sup>\*1</sup> *In conjunction with the Proposed SCR, all the treasury shares held by the Company will be cancelled*

<sup>\*2</sup> *Based on the 10,985,837 PTB Shares held by the Entitled Shareholders as at the LPD, the total cash repayment pursuant to the Proposed SCR is approximately RM4,394,335 which represents a cash amount of RM0.40 per PTB Share*

## 7.2 NA per Share and gearing level

Assuming the Proposed SCR had been effected as at 31 March 2019 (being the end of the FYE 31 March 2019), the pro forma effects of the Proposed SCR on the latest audited consolidated NA per Share and gearing level of PTB are as follows:-

	Audited as at 31 March 2019 RM'000	After the Proposed SCR RM'000
Share capital	390,057	385,662
Treasury shares	(68)	-
Accumulated losses	(53,254)	(54,554) <sup>*1</sup>
<b>Shareholders' funds/ NA</b>	<b>336,735</b>	<b>331,108</b>
Number of PTB Shares (excluding treasury shares) ( '000)	345,831	334,845
NA per PTB Share (RM)	0.97	0.99
Total borrowings (RM'000)	-	-
Gearing level (times)	-	-
Deposits, cash and bank balances	19,623	15,229 <sup>*2</sup>

### Notes:-

<sup>\*1</sup> After deducting the estimated expenses (comprising professional fees, regulatory fees, administrative expenses) of approximately RM1.30 million in relation to the Proposed SCR

<sup>\*2</sup> As set out in **Section 2.4** of this Circular, the Proposed SCR will be funded via internally generated funds of PTB

## 7.3 Earnings/ losses and EPS/ (LPS)

For information purpose, PTB Group had recorded a LAT of RM3.43 million for the FYE 31 March 2019, which is lower compared to the LAT of RM21.52 million in the preceding financial year. The lower LAT was mainly due to certain one-off transactions incurred in the preceding financial year such as the impairment loss on land held for property development amounting to RM14.90 million and loss on disposal of land held for property development amounting to RM5.03 million. Accordingly, the LPS had decreased to 0.99 sen for the FYE 31 March 2019 from 6.22 sen recorded in the preceding financial year.

The Proposed SCR is not expected to have any material effect on the earnings/ losses and EPS/ (LPS) of PTB Group for the FYE 31 March 2020, save for the estimated expenses for the Proposed SCR of approximately RM1.30 million.

Upon the Completion and as a result of the cancellation of PTB Shares pursuant to the Proposed SCR, the total number of PTB Shares in issue will be reduced, which will affect the EPS/ (LPS) of PTB Group accordingly.

Assuming the Proposed SCR had been effected as at 1 April 2018 (being the beginning of the FYE 31 March 2019), the pro forma effects of the Proposed SCR on the earnings/ losses and EPS/ (LPS) of PTB Group are as follows:-

	Audited FYE 31 March 2019	After the Proposed SCR
LAT attributable to owners of the Company (RM'000)	(3,427)	(4,727) <sup>*1</sup>
No. of shares (excl. treasury shares) ('000)	345,831	334,845
LPS (sen)	(0.99)	(1.41) <sup>*2</sup>

### Notes:-

<sup>\*1</sup> After deducting the estimated expenses (comprising professional fees, regulatory fees, administrative expenses) of approximately RM1.30 million in relation to the Proposed SCR

<sup>\*2</sup> Increase in LPS due to the estimated expenses incurred and reduction in PTB Shares as a result of the cancellation of PTB Shares pursuant to the Proposed SCR

#### 7.4 Substantial shareholder's shareholdings

Upon Completion, PTB will be wholly-owned by the Non-Entitled Shareholder as a result of the cancellation of all PTB Shares held by the Entitled Shareholders.

The pro forma effects of the Proposed SCR on the shareholding structure of the substantial shareholder of PTB are as follows:-

Substantial shareholder	As at the LPD				After the Proposed SCR			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>	No. of Shares	% <sup>*2</sup>
Tan Sri Dr Chen	334,845,142 <sup>*3</sup>	96.82	-	-	334,845,142 <sup>*3</sup>	100.00	-	-

**Notes:-**

<sup>\*1</sup> Computed based on 345,830,979 PTB Shares in issue (excluding treasury shares)

<sup>\*2</sup> Computed based on 334,845,142 PTB Shares in issue and after the cancellation of treasury shares

<sup>\*3</sup> 286,971,923 PTB Shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local)

#### 7.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

### 8. CONDITIONS OF THE PROPOSED SCR

The Proposed SCR is subject to and conditional upon the following approvals being obtained:-

- (i) the approval of the Non-Interested Shareholders for the Proposed SCR to be tabled at the forthcoming EGM via a special resolution which must be approved by:-
  - (a) at least a majority in number of the Non-Interested Shareholders and 75% in value to the votes attached to the PTB Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the EGM; and
  - (b) the values 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 Non-Interested Shareholders of the total voting shares of the Company;
- (ii) the approval or consent of the existing financiers and/ or creditors of PTB and/ or its subsidiaries, where required; and
- (iii) the grant of an order of the High Court approving the Proposed SCR under Section 116 of the Act ("**Order**").

The Proposed SCR will become effective on the Effective Date immediately upon the lodgment of an official copy of the Order with the Registrar. 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.

The Proposed SCR is not conditional upon any other corporate exercise of PTB.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders and/ or persons connected with them have any interest, direct or indirect, in the Proposed SCR:-

### 9.1 Interested Major Shareholder

Name	Nature of interest
Tan Sri Dr Chen	<ul style="list-style-type: none"><li>• Being the Offeror/ Non-Entitled Shareholder</li><li>• As at the LPD, he holds 334,845,142 PTB Shares, representing 96.82% of the total issued shares of PTB (excluding treasury shares)</li></ul>

Tan Sri Dr Chen is deemed as the Interested Major Shareholder in this Proposed SCR. Accordingly, he will abstain from voting in respect of his direct and/ or indirect interests in PTB on the resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

### 9.2 Interested Director

Name	Nature of interest
Chen Yiy Fon	<ul style="list-style-type: none"><li>• He is the Chief Executive Officer/ Non-Independent Executive Director of PTB</li><li>• He is the son of Tan Sri Dr Chen</li></ul>

For the avoidance of doubt, as at the LPD, he does not hold any direct and/ or indirect PTB Shares.

Chen Yiy Fon is deemed as the Interested Director in this Proposed SCR by virtue of his family relationship with the Offeror. Accordingly, he has abstained and will continue to abstain from deliberating and voting at all relevant board meeting(s) of PTB in relation to the Proposed SCR.

In addition, Tan Sri Dr Chen and Chen Yiy Fon will ensure that person(s) connected with them will also abstain from voting in respect of their direct and/ or indirect interests in PTB, if any, on the resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

## 10. INDEPENDENT ADVISER

In accordance with Paragraph 3.06 of the Rules, the Board, had on 26 November 2019, appointed PIVB as the Independent Adviser to provide comments, opinion, information and recommendations on the Proposed SCR, including the fairness and reasonableness of the Proposed SCR, to the non-interested Directors and to the Entitled Shareholders.

Please refer to **Part B** of this Document for the IAL in relation to the Proposed SCR. The Non-Interested Shareholders are advised to read and carefully consider the contents of the IAL before voting on the resolution to give effect to the Proposed SCR at the forthcoming EGM.



## 11. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Director), after having considered all aspects of the Proposed SCR, in particular:-

- (i) the rationale of the Proposed SCR as set out in **Section 4** of this Circular; and
- (ii) the advice of the Independent Adviser, which had recommended that the Non-Interested Shareholders vote in favour of the resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM,

is of the opinion that the Proposed SCR is in the best interest of the Entitled Shareholders.

Accordingly, the Board (save for the Interested Director), concurs with the evaluation and recommendation of the Independent Adviser that the Proposed SCR is **not fair but reasonable**, and recommends that the Non-Interested Shareholders **VOTE IN FAVOUR OF** the resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM.

## 12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstance, and subject to the conditions as set out in **Section 8** of this Circular, the Board expects the Proposed SCR to be completed in the first quarter of 2020.

The tentative timetable for the implementation of the Proposed SCR is set out below:-

Date/ Timeline	Event
Early February 2020	<ul style="list-style-type: none"><li>• EGM for the Proposed SCR</li><li>• Filing of the application to seek the confirmation from the High Court for the reduction of PTB's share capital</li></ul>
Mid March 2020*	<ul style="list-style-type: none"><li>• Granting of the Order from the High Court confirming the reduction of PTB's share capital</li><li>• Announcement of Entitlement Date</li></ul>
End March 2020*	<ul style="list-style-type: none"><li>• Entitlement Date</li><li>• Lodgment of office copy of the Order with the Registrar</li><li>• Settlement of the SCR Offer Price</li><li>• Completion</li></ul>

**Note:-**

\* *This is an indicative timetable depending on, amongst others, the date on which the High Court confirms the reduction of PTB's share capital pursuant to Section 116 of the Act*

## 13. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed SCR, there are no corporate proposals which have been announced by PTB but pending completion as at the LPD.

**14. EGM**

The EGM, notice of which is enclosed in this Document, will be held at Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan, Malaysia on Wednesday, 5 February 2020 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed SCR.

In the event that you wish to appoint a proxy to attend, participate, speak and vote on your behalf, a Proxy Form is enclosed in this Document in which the said form must be duly completed in accordance with the instructions given and deposited at the Company's Registered Office at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof. The lodgment of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the meeting should you subsequently wish to do so.

**15. FURTHER INFORMATION**

Entitled Shareholders are advised to refer to the appendices set out in this Document for further information.

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

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

**PART B**

**IAL FROM PIVB TO THE ENTITLED SHAREHOLDERS OF PTB IN RELATION TO THE  
PROPOSED SCR**

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## EXECUTIVE SUMMARY

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**ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION AND CONTEXT OF THE DOCUMENT, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL. ALL REFERENCES TO “WE”, “US” OR “OUR” IN THIS IAL ARE REFERENCES TO PIVB, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED SCR.**

**THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED SCR. ENTITLED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THE IAL FOR FURTHER INFORMATION AND THE RECOMMENDATION FROM PIVB, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED SCR. THE IAL SHOULD ALSO BE READ IN CONJUNCTION WITH THE CIRCULAR INCLUDING THE APPENDICES THEREIN, FOR OTHER RELEVANT INFORMATION, BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR AT THE FORTHCOMING EGM OF PTB.**

### 1. INTRODUCTION

On 22 November 2019, the Company received the SCR Offer Letter from Tan Sri Dr Chen, requesting PTB to undertake the Proposed SCR. The details of the Proposed SCR are set out in Section 2, Part A of this Document.

On 26 November 2019, in accordance with Paragraph 3.06 of the Rules, the Board (save for the Interested Director) had appointed PIVB as the Independent Adviser to provide comments, opinions, information and recommendation to the Board (save for the Interested Director) and the Entitled Shareholders in respect of the Proposed SCR.

On 10 December 2019, the Board (save for the Interested Director) deliberated on the SCR Offer Letter and resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval at the forthcoming EGM.

The SC had vide its letter dated 13 January 2020, notified that it has no further comments on the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide you with an independent evaluation on the Proposed SCR together with our recommendation on whether the Non-Interested Shareholders should vote in favour or against the special resolution in relation to the Proposed SCR at the forthcoming EGM, subject to the scope of our role and evaluation specified herein.

### 2. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “fair” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the PTB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the PTB Shares, the Proposed SCR is considered as “not fair”;
- (iii) in considering whether the Proposed SCR is “reasonable”, we have taken into consideration matters other than the valuation of the PTB Shares; and

- (iv) generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Non-Interested Shareholders to vote in favour of the special resolution in respect of the Proposed SCR at the forthcoming EGM of the Company despite it being “not fair” if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the said resolution in the absence of a higher bid and such reasons should be clearly explained.

Our evaluation on the Proposed SCR is based on the following:

#### **Fairness of the Offer**

##### **Valuation of PTB Shares**

Based on the RNAV methodology, the RNAV per PTB Share is RM1.04. The SCR Offer Price represents a **discount** of RM0.64 or 61.54% over the RNAV per PTB Share.

Further information on the assessment of the valuation of PTB Shares is set out in Section 6.1 of this IAL.

**Premised on the assessment of the PTB Shares against the SCR Offer Price as set out in Section 6.1 of this IAL, we are of the opinion that the Proposed SCR is NOT FAIR in view that the SCR Offer Price is below the RNAV per PTB Share.**

#### **Reasonableness of the Offer**

##### **An avenue for the Entitled Shareholders to exit the Company**

We noted that the Proposed SCR is made to provide an opportunity to the Entitled Shareholders to realise and monetise their investment in PTB in an efficient and expedient manner given the absence of a formal market or trading platform for the unlisted PTB Shares since PTB was delisted and removed from the Official List on 16 August 2018. Without the Proposed SCR, the Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment in PTB at the SCR Offer Price and thus, will continue to hold unlisted PTB Shares.

As such, the Proposed SCR allows the Entitled Shareholders to exit from PTB at the SCR Offer Price of RM0.40 per PTB Share, which is the same offer price as the Previous Offer.

##### **Consideration on any alternative proposal**

We also note that PTB has not received any alternative proposal for the PTB Shares or any other offer to acquire its assets and liabilities. In view that Tan Sri Dr Chen has practical control of the Company with 96.82% equity interest in PTB, any such other offer would not be successful unless with the support of Tan Sri Dr Chen.

Presently, Tan Sri Dr Chen is generally able to determine the outcome of the ordinary and special resolutions sought at shareholders’ meetings of the Company, as well as block special resolutions on matters in which Tan Sri Dr Chen and persons connected to Tan Sri Dr Chen are not required to abstain. For the avoidance of doubt, Tan Sri Dr Chen is only required to abstain from voting on related party transactions, where he is the interested party.

Further information on the assessment of the reasonableness of the Proposed SCR is set out in Section 7 of this IAL.

**Premised on the evaluation as set out in Section 7 of this IAL, we are of the view that the Proposed SCR is REASONABLE.**

**3. RECOMMENDATION**

Based on the above and our evaluation, although the Proposed SCR is **NOT FAIR** as the SCR Offer Price represents a discount of RM0.64 or 61.54% over the RNAV per PTB Share, we are of the opinion that the Proposed SCR is **REASONABLE** as it provides an opportunity to the Entitled Shareholders to realise and monetise their investment in PTB in an efficient and expedient manner given the absence of a formal market or trading platform for the unlisted PTB Shares.

In addition, the RNAV of the PTB Group only presumes that PTB is able to realise all its assets on willing buyer-willing seller basis in the open market at the indicated market value. However, there is no assurance that PTB will be able to realise such assets at the estimated RNAV presently or in the future. Further, in a liquidation scenario, where the assets of the PTB Group would be sold at a force sale value, shareholders of PTB may not be able to realise the full RNAV of the PTB Group immediately.

Accordingly, we advise and recommend that the Non-Interested Shareholders to **VOTE IN FAVOUR** of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

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**Registered Office:**

27th Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur

14 January 2020

**To: The Entitled Shareholders of PTB**

Dear Sir/Madam,

**INDEPENDENT ADVICE LETTER TO THE ENTITLED SHAREHOLDERS OF PTB IN RELATION TO THE PROPOSED SCR**

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**1. PREAMBLE**

This IAL is prepared for inclusion in this Document. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the “*Definitions*” section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to PIVB, being the Independent Adviser in relation to the Proposed SCR.

**2. INTRODUCTION**

On 22 November 2019, the Company received the SCR Offer Letter from Tan Sri Dr Chen, requesting PTB to undertake the Proposed SCR. The details of the Proposed SCR are set out in Section 2, Part A of this Document.

On 26 November 2019, in accordance with Paragraph 3.06 of the Rules, the Board (save for the Interested Director) had appointed PIVB as the Independent Adviser to provide comments, opinions, information and recommendation to the Board (save for the Interested Director) and the Entitled Shareholders in respect of the Proposed SCR.

On 10 December 2019, the Board (save for the Interested Director) deliberated on the contents of the SCR Offer Letter and resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval at the forthcoming EGM.

The SC had vide its letter dated 13 January 2020, notified that it has no further comments on the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide you with an independent evaluation on the Proposed SCR together with our recommendation on whether the Non-Interested Shareholders should vote in favour or against the special resolution in relation to the Proposed SCR at the forthcoming EGM, subject to the scope of our role and evaluation specified herein.

**NON-INTERESTED SHAREHOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING APPENDICES BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR TO BE TABLED AT THE FORTHCOMING EGM OF PTB.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

**PUBLIC INVESTMENT BANK BERHAD (20027-W)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Head Office : 25th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur

Peti Surat 10988, 50732 Kuala Lumpur. Telephone : 03 - 21669382 (10 lines) Facsimile : 03 - 21669386

(Wholly-owned subsidiary of Public Bank Berhad)

### 3. DETAILS OF THE PROPOSED SCR

The Proposed SCR involves the Company undertaking a selective capital reduction and a corresponding capital repayment exercise pursuant to Section 116 of the Act in respect of the PTB Shares held by the Entitled Shareholders on the Entitlement Date.

The details of the Proposed SCR are as follows:

1.	Consideration for the Proposed SCR	<p>The Entitled Shareholders will receive a cash consideration of RM0.40 per PTB Share pursuant to the Proposed SCR.</p> <p>If PTB declares and/or pays any Distributions in favour of its shareholders whereby the entitlement date for such Distributions is on or after the date of the SCR Offer Letter up to the Completion and the shareholders are entitled to retain such Distributions, the SCR Offer Price shall be reduced by the quantum of the Distributions per Share that such shareholders are entitled to retain. For the 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.</p>
2.	Mode and timing of settlement	<p>The settlement of the SCR Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend accounts duly registered with Bursa Depository within 10 days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered address last maintained with Bursa Depository at their own risk within 10 days from the Effective Date.</p>
3.	Conditions to the Proposed SCR	<p>The Proposed SCR is subject to and conditional upon the following being obtained:</p> <ul style="list-style-type: none"> <li>(i) approval of the Non-Interested Shareholders for the Proposed SCR to be tabled at an EGM via a special resolution which must be approved by: <ul style="list-style-type: none"> <li>(a) at least a majority in number of the Non-Interested Shareholders and 75% in value to the votes attached to the PTB Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the EGM, and</li> <li>(b) the values 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 Non-Interested Shareholders of the total voting shares of the Company;</li> </ul> </li> <li>(ii) the approval or consent of the existing financiers and/or creditors of PTB and/or its subsidiaries, where required; and</li> <li>(iii) the grant of an order of the High Court approving the Proposed SCR under Section 116 of the Act.</li> </ul>
4.	Irrevocable undertaking	<p>As at the LPD, the Offeror, namely Tan Sri Dr Chen and/or person(s) acting in concert with Tan Sri Dr Chen have not received any irrevocable undertaking from any Non-Interested Shareholder to vote in favour of or against the resolution on the Proposed SCR to be tabled at the forthcoming EGM.</p>
5.	Financial resources for the Proposed SCR	<p>The Proposed SCR will be funded via the internally generated funds of PTB.</p> <p>Tan Sri Dr Chen has confirmed that the Proposed SCR would not fail due to the insufficient financial capability of the Company, and that every Entitled Shareholder will be paid in full by cash.</p> <p>UOBKH, being the Principal Adviser to PTB and the adviser to Tan Sri Dr Chen for the Proposed SCR, and the Board confirm that the Proposed SCR, once effective, will not fail by reason of insufficient financial capability of the Company and that every Entitled Shareholder will be paid in full by way of cash.</p>

Further details on the Proposed SCR are set out in Section 2, Part A of this Document.



#### 4. LIMITATIONS TO THE EVALUATION OF THE PROPOSED SCR

PIVB was not involved in any formulation, deliberations and/or negotiations pertaining to the terms and conditions of the Proposed SCR. PIVB's terms of reference as an independent adviser is limited to expressing an independent opinion on the assessment of the fairness and reasonableness of the Proposed SCR based on the following:

- (i) information contained in the SCR Offer Letter, Part A of this Document and the appendices attached thereto;
- (ii) audited consolidated financial statements of PTB for the FYE 31 March 2019 and the latest unaudited consolidated financial statements of PTB for the 6-month financial period ended ("FPE") 30 September 2019;
- (iii) information furnished by the Board and management of PTB;
- (iv) discussions with the Board and management of PTB; and
- (v) other relevant publicly available information.

We have made all reasonable enquiries to the Board and management of PTB and have relied on the Board and management of PTB to take due care to ensure that all information, documents and representations in respect of the Group provided to us by them to facilitate our evaluation of the Proposed SCR are accurate, valid and complete in all material aspects. The Board has confirmed to us that all relevant material facts and information essential to the evaluation of the Proposed SCR have been disclosed to us and has accepted full responsibility for the accuracy of the information provided to us. After making all reasonable enquiries and to the best of our knowledge and belief, we are satisfied that all relevant facts and information and/or representations necessary for our evaluation of the Proposed SCR have been disclosed to us and that such information is sufficient, accurate, valid and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate.

Our advice should be considered in the context of the entirety of this IAL. Our views expressed in this IAL are, amongst others, based on capital market, economic, industry, regulatory, monetary, socio-political and other prevailing conditions, and the information and/or documents made available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion expressed herein do not take into account the information, events or conditions arising after the LPD.

In rendering our advice, PIVB had taken note of pertinent factors, which we believe are necessary and of importance to our assessment of the Proposed SCR and therefore of general concern to the Entitled Shareholders. As such:

- (i) PIVB's views and recommendation as contained in the IAL only cater to the Entitled Shareholders at large and not to any Entitled Shareholder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual Entitled Shareholder or any specific group of Entitled Shareholders; and
- (ii) we recommend that any individual Entitled Shareholder or group of Entitled Shareholder who is in doubt as to the action to be taken or require advice in relation to the Proposed SCR in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, consult their respective stockbroker, banker, solicitor, accountant or other professional advisers immediately.

PIVB will immediately notify the SC in writing and the Entitled Shareholders by way of an announcement via press notice if, after despatching this IAL, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAL:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, a supplementary IAL will be sent to the Entitled Shareholders in accordance with subparagraph 11.07(2) of the Rules.

## 5. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “fair” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the PTB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the PTB Shares, the Proposed SCR is considered as “not fair”;
- (iii) in considering whether the Proposed SCR is “reasonable”, we have taken into consideration matters other than the valuation of the PTB Shares;
- (iv) generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Non-Interested Shareholders to vote in favour of the special resolution in respect of the Proposed SCR at the forthcoming EGM of the Company despite it being “not fair” if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the said resolution in the absence of a higher bid and such reasons should be clearly explained.

We have taken into consideration the following factors in our evaluation of the Proposed SCR:

<b><u>Fairness of the Proposed SCR:</u></b>	
(i) Valuation of PTB Shares	Section 6.1
<b><u>Reasonableness of the Proposed SCR:</u></b>	
(i) An avenue for the Entitled Shareholders to exit the Company	Section 7.1
(ii) Consideration on any alternative proposal	Section 7.2

## 6. FAIRNESS OF THE PROPOSED SCR

### 6.1 Valuation of PTB Shares

In making this assessment, the value of PTB Shares was assessed based on the assumption that 100.00% of the issued share capital of PTB is the subject matter of the Proposed SCR.

The PTB Group is principally involved in the business of property development, property investment, investment holdings and provision of management services. However, we have noted that the PTB Group's revenue for the FYE 31 March 2019 and the 6-month FPE 30 September 2019 was contributed 100% by the rental income from the investment properties. Further, based on the latest unaudited consolidated financial statements of PTB as at 30 September 2019, we noted that 93.04% of the PTB Group's total assets comprised of investment properties and land held for property development as set out below:

	Unaudited as at 30 September 2019 (RM'000)	(%)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment ("PPE") <sup>(a)</sup>	4	*
Investment properties <sup>(b)</sup>	156,723	42.04
Land held for property development ("LHPD") <sup>(c)</sup>	190,087	51.00
	346,814	93.04
<b>Current assets</b>		
Trade receivables <sup>(d)</sup>	8,335	2.24
Other receivables <sup>(e)</sup>	2,728	0.73
Tax recoverable <sup>(f)</sup>	15	*
Cash and bank balances <sup>(g)</sup>	14,874	3.99
	25,952	6.96
<b>TOTAL ASSETS</b>	<b>372,766</b>	<b>100.00</b>

Notes:

- \* Negligible.
- (a) PPE of the PTB Group comprised of buildings, plant and equipment, and motor vehicles, which represents less than 0.01% of the total assets of PTB Group. As such, a revaluation was not conducted as it is deemed immaterial to the total assets of the PTB Group. We are of the view that the market values of the PPE of the PTB Group will not be materially different from its book values.
- (b) Investment properties of the PTB Group comprised of properties which are owned or held under a leasehold interest to earn rental income and/or capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business. All properties categorised under investment properties have been revalued.
- (c) LHPD of the PTB Group comprised of land held for future development activities where no development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle. LHPD is classified as a non-current asset and is stated at cost less any accumulated impairment losses. All lands categorised under LHPD have been revalued.
- (d) Trade receivables comprised of RM6.79 million held by solicitors as stakeholder and is releasable to PTB upon the issuance and delivery of individual titles of the properties to the respective buyers, RM1.39 million of billings (i.e. quit rent, water charges and other charges) to industrial and residential buyers as well as RM0.16 million accrued by tenancy debtors. The trade receivables amount is deemed reflective of its fair value in view of its short-term nature, which is expected to be received within the next 12 months.
- (e) Other receivables comprised of other receivables, deposits and prepayments and is deemed reflective of its fair value in view of its short-term nature, which is expected to be received within the next 12 months.
- (f) Tax recoverable is deemed reflective of its fair value in view of its short-term nature, which is expected to be received within the next 12 months.

- (g) *Cash and bank balances consist of cash on hand and bank balances and are deemed reflective of its fair value in view of its short-term nature.*

*Included in cash and bank balances of PTB Group is an amount of RM945,102.67 deposited into the Housing Development Accounts in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966. Cash held under the Housing Development Account represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Control and Licensing) Act, 1966, which are restricted for certain usage as prescribed by the relevant authorities.*

Based on the above, we are of the view that the revalued net assets value (“RNAV”) methodology is the most appropriate method to estimate the fair value of PTB Shares as the RNAV methodology is a commonly adopted valuation methodology in approaching valuations of asset-based companies. When applying the RNAV methodology, the values of the company’s material assets are revised to reflect the market value of the said assets based on the assumption that their market values can be realised upon the sale of the said assets. PTB had appointed MacReal to revalue the investment properties and LHPD of the PTB Group (“**Revalued Properties**”) for its internal management purposes. For information purposes, we are of the view that the market values of the PPE of the PTB Group will not be materially different from its book values and hence would not have an effect on the RNAV of the PTB Group.

We noted that the valuation reports in respect of the Revalued Properties by MacReal were prepared in conformity with the Malaysian Valuation Standards laid down by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. In arriving at the market value of the Revalued Properties, the following approaches were adopted by MacReal:

**(a) Comparison approach**

The comparison approach seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given to such factors including location, plot size and shape, accessibility, improvements made (*if any*), surrounding developments, facilities and amenities available. Where dissimilarities exist, adjustments are made. This method is generally adopted in valuing subject properties where there are appropriate and adequate comparable sale evidences.

**(b) Cost approach**

The cost method seeks to determine the value of the property through the summation of the value components of the land and building(s). In determining the value of the land, the comparison/comparable method is adopted. In determining the value of the building(s), current estimates on construction costs to erect equivalent buildings are adopted. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building(s). This method is generally adopted in valuing subject properties where the comparable sale evidences are scarce (*whether due to its specialised/purpose-built nature or otherwise*) by estimating depreciated replacement cost for the subject property given its existing condition.

Based on our review and the due enquiries made, we are satisfied with the approaches and assumptions adopted by MacReal in deriving the market value of the Revalued Properties. As such, we have relied upon the market value of the Revalued Properties as appraised by MacReal for the purposes of computing the RNAV of the PTB Group.

Further, in arriving at the RNAV of the PTB Group, we have taken into consideration the net surplus of the Revalued Properties (after adjusting for deferred tax liabilities) and made the following assumptions in respect of the PTB Group and the Revalued Properties:

- (i) the PTB Group will continue as a going concern;
- (ii) there are no significant or material changes to the relevant approvals and/or licenses governing the business activities of the PTB Group;
- (iii) there are no significant changes to the accounting policies of the PTB Group; and
- (iv) there will be no material changes in the Malaysian economic conditions and regulatory requirements.

The details of the Revalued Properties are set out as follows:

No.	Subject properties (Address where applicable)	Description	Tenure / Year of expiry	Total land area / Built- up area (Sq. m.)	Date of acquisition/ Date of last revaluation	Valuation approach	Estimated market value (A) (RM'000)	Unaudited net book value ("NBV") as at 30 September 2019 (B) (RM'000)	Revaluation surplus (C) = (A) – (B) (RM'000)	Deferred taxation (D) (RM'000)	Net revaluation surplus (E) = (C) – (D) (RM'000)
<b>Investment properties</b>											
1.	HSM 2375, HSM 2376 and HSM 2377, Lots PT 546, 547 and 548, Mukim of Tanjung Dua Belas, District of Kuala Langat, Selangor Darul Ehsan  Locality: Kampung Seri Cheeding, Mukim of Tanjung Dua Belas, Kuala Langat, Selangor Darul Ehsan	Three (3) parcels of industrial land. Lot PT 546 and part of Lot PT 547 are currently used as access roads known as Jalan Kampung Seri Cheeding. Lot PT 548 is currently erected upon with an open sided single storey detached factory and other ancillary buildings.	Leasehold / 99 years / Expires in year 2076 (unexpired term of about 57 years)	45,805.75 / 6,369.06	24.09.1977 / 14.11.2019	Comparison approach	(a)4,100	3,117	983	(b)98.30	884.70
2.	HSD 87807, Lot PT 5727 Seksyen 2, Bandar Ulu Kelang, District of Gombak, Selangor Darul Ehsan  Address: Lot 3, Jalan Kelab Ukay Utama, Taman Kelab Ukay, Bukit Antarabangsa, 68000 Ampang, Selangor Darul Ehsan	A parcel of land erected upon with a double-storey clubhouse, a swimming pool and wading pool, two squash courts, two tennis courts and a guardhouse.	Freehold	11,219.00 / 3,678.50	02.02.2000 / 15.11.2019	Cost approach	16,000	15,492	508	(b)50.80	457.20
3.	PN 3702, Lot 4 Seksyen 36, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan  Address: No. 118 (Lot 4), Jalan Professor Khoo Kay Kim (formerly known as Jalan Semangat), 46300 Petaling Jaya, Selangor Darul Ehsan	A parcel of development land with limited commercial potential use. Erected on the subject site is a single-storey warehouse annexed with a four-storey office building.	Leasehold / 99 years / Expires in year 2060 (unexpired term of about 41 years)	8,201.86 / 7,057.72	11.08.2008 / 14.11.2019	Comparison approach	(b)31,000	24,804	6,196	(b)619.60	5,576.40

No.	Subject properties (Address where applicable)	Description	Tenure / Year of expiry	Total land area / Built- up area (Sq. m.)	Date of acquisition/ Date of last revaluation	Valuation approach	Estimated market value (A) (RM'000)	Unaudited NBV as at 30 September 2019 (B) (RM'000)	Revaluation surplus (C) = (A) – (B) (RM'000)	Deferred taxation (D) (RM'000)	Net revaluation surplus (E) = (C) – (D) (RM'000)
<b>LHPD</b>											
4.	PN 34701, 34702, 34703, 34704, 34705, 34706 and 20888, Lots 32435, 32437, 32438, 32440, 32442, 32443 and 32177, Pekan Senawang, District of Seremban, Negeri Sembilan Darul Khusus	Seven (7) parcels of leasehold commercial land	Leasehold 99 years / Expires in year 2088 (unexpired term of about 69 years)	27,416.40	02.02.2000 / 14.11.2019	Comparison approach	(c) 10,270	3,499	6,771	(a) 1,625.04	5,145.96
5.	Geran 335465, 335467 & 335468, Lots 126923, 126925 & 126926, Seksyen 2, Bandar Ulu Kelang, District of Gombak, Selangor Darul Ehsan Locality: Taman Kelab Ukay in Ampang, Selangor Darul Ehsan	Three (3) parcels of freehold residential land	Freehold	52,493.00	02.02.2000 / 15.11.2019	Comparison approach	(d) 30,830	32,186	(1,356)	(h)-	(1,356.00)
<b>Investment properties and LHPD</b>											
6.	Parcels 28, 31 to 34 held under Title No. Country Lease 015618701, 015618738, 015618747, 015618756 and 015618765, Mukim of Menggatal, District of Kota Kinabalu, Sabah Locality: Karambunai Peninsula, Kota Kinabalu, Sabah	Parcel of development land	Sub-leasehold interest 99 years / Expires in year 2093 (unexpired term of about 74 years)	6,129,160.00	Parcel 28: 28.06.2006 / 16.11.2019 Parcels 31 to 34: 02.02.2000 / 16.11.2019	Comparison approach	(e) 282,700	267,712	14,988	(i) 3,597.12	11,390.88
							<b>374,900</b>	<b>346,810</b>	<b>28,090</b>	<b>5,990.86</b>	<b>22,099.14</b>

(Source: The management of PTB and the valuation letters/certificates/reports prepared by MacReal)

Notes:

- (a) The value of the subject property's single storey detached factory and other ancillary buildings were not taken into account in deriving the market value of the subject property as the aforementioned buildings have not been issued with Certificate of Fitness for Occupation or Certificate for Completion and Compliance.
- (b) The subject property was valued in its entirety as a vacant development land on the basis of 'highest and best use'.
- (c) MacReal notes that a Tenaga Nasional Berhad ("TNB") sub-station is located at the western corner of Lot 32435. MacReal and PTB note that the TNB sub-station can be relocated upon the development of the site.
- As per the approved layout plan bearing Reference No. Bil (38) MPS / OSC / 0049 / 01 / KM (PP), 293.6 square metres of Lot 32437 and 1289 square metres of Lot 32443 has been designated for a TNB sub-station and a water tank, respectively. MacReal had adopted the remaining net land area of 2,239.40 square metres and 922 square metres for Lot 32437 and Lot 32443 respectively.
- The subject properties were valued based on the existing conditions and the title status but with the benefit of conversion approval for change of land use to 'Bangunan Perumahan' and 'Tapak Pencawang Elektrik' from the Pejabat Daerah dan Tanah Seremban subject to premiums being paid by the land owner, free from encumbrances as at the material date of valuation. MacReal had also taken into consideration that the premiums have been paid.
- (d) MacReal had noted that the subject lands had previously been approved for the development of townhouses and high-rise condominiums by Majlis Perbandaran Ampang Jaya ("MPAJ") on 11 September 2013 vide a 'Planning Permission'. An application for the extension of the 'Planning Permission' from 11 September 2013 to 10 September 2014 was submitted and approved. On 20 November 2019, PTB had submitted an application to amend the layout plan of the abovementioned development to include additional units of townhouses and high-rise condominiums to MPAJ. As at the LPD, PTB has yet to receive the approval for the amendment to the layout plan. As such, no application has been made to MPAJ to further extend the 'Planning Permission'.
- (e) In accordance to the proposed Karambunai Peninsula Land Use Master Plan, the designated land use of the subject property is as stated below:

Parcel No.	Designated land use
28	Subject to further study
31	Northern portion proposed for hillside resort villas with permissible plot ratio of 1:0.2 Living Museum of Borneo (showcase Green Borneo Biodiversity)
32	Majority proposed for hilltop resort hotel with permissible plot ration 1:3.0 South-western portion proposed for hillside resort villas with permissible plot ratio 1:0.2
33	Living Museum of Borneo (showcase of Green Borneo Biodiversity) and water reservoirs and suction tanks
34	Living Museum of Borneo (showcase of Green Borneo Biodiversity) and suction tanks and reservoir

- (f) In accordance with the Real Property Gains Tax Act 1976, real property gains tax ("RPGT") of 10% will be imposed when a company disposes its property assets of which the property assets are held for more than 5 years from the date of acquisition.
- (g) Pursuant to paragraph 51 of Malaysian Financial Reporting Standards 112, the measurement of the deferred tax liability would follow the manner in which the entity expects to recover the carrying amount of its assets. If PTB intends to develop the land in the foreseeable future, it will be subject to corporate tax in the future. As such, the deferred tax liability is computed at 24%, being the current tax rate.
- (h) Assuming revaluation deficit is not subject to RPGT.
- (i) In the computation of the deferred tax liability, 24% has been adopted for Parcels 28 and 31 to 34.

Premised on the computation of the net revaluation surplus above, the indicative value per PTB Share by adopting the RNAV methodology is as follow:

	(RM'000)
Unaudited NA of PTB as at 30 September 2019	337,027
<i>Add:</i>	
Net revaluation surplus from the Revalued Properties	22,099
RNAV	359,126
No. of issued PTB Shares (excluding treasury shares) ('000)	345,831
RNAV per PTB Share (RM)	1.04

Based on the table above, the SCR Offer Price represents a **discount** of RM0.64 or 61.54% over the RNAV per PTB Share of RM1.04.

**Premised on the assessment as set out in Section 6.1 above, we are of the opinion that the Proposed SCR is NOT FAIR in view that the SCR Offer Price is below the RNAV per PTB Share.**

**Nonetheless, it should be noted that the RNAV of the PTB Group presumes that PTB is able to realise all its assets on willing buyer-willing seller basis in the open market at the indicated market value. However, there is no assurance that PTB will be able to realise such assets at the estimated RNAV presently or in the future. Further, in a liquidation scenario, where the assets of the PTB Group would be sold at a force sale value, shareholders of PTB may not be able to realise the full RNAV of the PTB Group immediately.**

## 7. REASONABLENESS OF THE PROPOSED SCR

### 7.1 An avenue for the Entitled Shareholders to exit the Company

We have considered the rationale for the Proposed SCR as set out in Section 4, Part A of this Document.

We noted that the Proposed SCR is made to provide an opportunity to the Entitled Shareholders to realise and monetise their investment in PTB in an efficient and expedient manner given the absence of a formal market or trading platform for the unlisted PTB Shares since PTB was delisted and removed from the Official List on 16 August 2018. Without the Proposed SCR, the Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment in PTB at the SCR Offer Price and thus, will continue to hold unlisted PTB Shares.

As such, the Proposed SCR allows the Entitled Shareholders to exit from PTB at the SCR Offer Price of RM0.40 per PTB Share, which is the same offer price as the Previous Offer.

### 7.2 Consideration on any alternative proposal

We also note that PTB has not received any alternative proposal for the PTB Shares or any other offer to acquire its assets and liabilities. In view that Tan Sri Dr Chen has practical control of the Company with 96.82% equity interest in PTB, any such other offer would not be successful unless with the support of Tan Sri Dr Chen.

Presently, Tan Sri Dr Chen is generally able to determine the outcome of the ordinary and special resolutions sought at shareholders' meetings of the Company, as well as block special resolutions on matters in which Tan Sri Dr Chen and persons connected to Tan Sri Dr Chen are not required to abstain. For the avoidance of doubt, Tan Sri Dr Chen is only required to abstain from voting on related party transactions, where he is the interested party.

**Premised on the assessment as set out in Section 7 above, we are of the view that the Proposed SCR is REASONABLE.**



## 8. FUTURE PLANS FOR THE PTB GROUP AND ITS EMPLOYEES

In evaluating the Proposed SCR, we have considered the intentions of Tan Sri Dr Chen as set out in Section 5, Part A of this Document as follows:

### (i) Continuation of the PTB Group's business

Tan Sri Dr Chen intends to continue with the existing core businesses and operations of the PTB Group and do not have any plan and/or intention to liquidate any companies within PTB Group. If the need arises, Tan Sri Dr Chen may review the business and operations of PTB Group in the best interests of the PTB Group in order to remain competitive.

### (ii) Major changes to the PTB Group's business

Tan Sri Dr Chen does not have any immediate plan and/or intention to introduce or effect material changes to the existing businesses, dispose any major assets or undertake any major redeployment of the fixed assets of PTB Group upon the Completion, except where such change, disposal and/or redeployment is necessary as to rationalise the business activities and/or direction of the Group or to improve the prospects and future growth of the PTB Group.

### (iii) Employees of the PTB Group

Tan Sri Dr Chen does not have any plan to dismiss or make redundant any of the existing employees of PTB Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, some changes with regard to staff employment and redeployment of staff may take place as a result of the subsequent review by Tan Sri Dr Chen on PTB Group's employment structure, role of individual employees, rationalisation of business activities and/or direction to further improve productivity and efficiency of the operations of PTB Group.

**We noted that Tan Sri Dr Chen does not intend to undertake any material changes to the existing business of PTB or to undertake any employee redundancy scheme, unless such changes are necessary to rationalise and restructure the business activities and to further improve productivity and efficiency of the operations of the PTB Group.**

## 9. FURTHER INFORMATION

The Entitled Shareholders are advised to refer to the views and recommendation of the Board (save for the Interested Director) as set out in Part A of this Document as well as the accompanying appendices and other relevant information in this Document for further details in relation to the Proposed SCR.

## 10. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby the term "fair and reasonable" should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is "fair" and whether the Proposed SCR is "reasonable", rather than as a composite term and have set out our evaluation in Sections 5, 6 and 7 of the IAL.

The Proposed SCR is considered as "fair" if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the PTB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the PTB Shares, the Proposed SCR is considered as "not fair".

In considering whether the Proposed SCR is "reasonable", we have taken into consideration matters other than the valuation of the PTB Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Non-Interested Shareholders to vote in favour of the special resolution in respect of the Proposed SCR despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the said resolution in the absence of a higher bid and such reasons should be clearly explained. Notwithstanding that, the Non-Interested Shareholders should take into careful consideration the merits and demerits of the Proposed SCR based on all relevant and pertinent factors including those set out below and other considerations as set out in the IAL and Part A of this Document.

In arriving at our opinion, we have taken into consideration various relevant and pertinent factors as set out below:

**Fairness of the Proposed SCR**

Based on our analysis set out in Section 6 of this IAL, we are of the opinion that the Proposed SCR is **NOT FAIR** in view of the following:

(a)	Valuation of PTB Shares	<ul style="list-style-type: none"> <li>▪ The SCR Offer Price of RM0.40 is below the RNAV per PTB Share of RM1.04 and represents a <b><u>discount</u></b> of RM0.64 or 61.54% over the RNAV per PTB Share.</li> </ul>
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**Reasonableness of the Proposed SCR**

Based on our analysis set out in Section 7 of this IAL, we are of the opinion that the Proposed SCR is **REASONABLE** after taking into consideration the following:

(a)	An avenue for the Entitled Shareholders to exit the Company	<ul style="list-style-type: none"> <li>▪ There is no formal market or trading platform for the unlisted PTB Shares.</li> <li>▪ The Proposed SCR provides an opportunity to the Entitled Shareholders to realise and monetise their investment in PTB.</li> <li>▪ The SCR Offer Price is the same as the offer price of RM0.40 per PTB Share in the Previous Offer.</li> </ul>
(b)	Consideration on any alternative proposal	<ul style="list-style-type: none"> <li>▪ PTB has not received any alternative proposal for the PTB Shares or any other offer to acquire its assets and liabilities.</li> <li>▪ Tan Sri Dr Chen has practical control over the Company.</li> </ul>

Based on the above and our evaluation, although the Proposed SCR is **NOT FAIR** as the SCR Offer Price represents a discount of RM0.64 or 61.54% over the RNAV per PTB Share, we are of the opinion that the Proposed SCR is **REASONABLE** as it provides an opportunity to the Entitled Shareholders to realise and monetise their investment in PTB in an efficient and expedient manner given the absence of a formal market or trading platform for the unlisted PTB Shares.

In addition, the RNAV of the PTB Group only presumes that PTB is able to realise all its assets on willing buyer-willing seller basis in the open market at the indicated market value. However, there is no assurance that PTB will be able to realise such assets at the estimated RNAV presently or in the future. Further, in a liquidation scenario, where the assets of the PTB Group would be sold at a force sale value, shareholders of PTB may not be able to realise the full RNAV of the PTB Group immediately.

Accordingly, we advise and recommend that the Non-Interested Shareholders to **VOTE IN FAVOUR** of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

We have not taken into consideration any specific investment objective, financial situation or particular need of any individual Non-Interested Shareholder. We recommend that any Non-Interested Shareholder who requires advice in relation to the Proposed SCR in the context of their individual investment objectives, financial situation or particular needs, consult their respective stockbroker, bank manager, accountant, solicitor or other professional advisers.

Yours truly  
for and on behalf of  
**PUBLIC INVESTMENT BANK BERHAD**

**Lee Yo-Hunn**  
Chief Executive Officer

**Tan Heng Chee**  
Head  
Corporate Finance & Advisory

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**ADDITIONAL INFORMATION**

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**1. DIRECTOR'S RESPONSIBILITY STATEMENT**

This IAL has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy and completeness of the information contained herein. The Board confirms the following after making all reasonable enquiries and to the best of their knowledge and belief:

- (i) no statement and/or information relating to the PTB Group in this IAL is false or misleading or incomplete;
- (ii) there are no other facts and/or information, the omission of which would render any statement or information provided relating to the PTB Group herein false or misleading or incomplete; and
- (iii) all material facts and/or information in relation to the Proposed SCR, including those required under the Rules, have been accurately and completely disclosed in this IAL.

Further, the responsibility of the Board in respect of:

- (i) the information relating to Tan Sri Dr Chen and the Proposed SCR (as extracted from Part A of this Document and the appendices attached thereto) is to ensure that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by PIVB in relation to the Proposed SCR as set out in the IAL, is to ensure that accurate information in relation to the PTB Group was provided to PIVB for its evaluation of the Proposed SCR and that all information in relation to the PTB Group that is relevant to PIVB's evaluation of the Proposed SCR has been accurately and completely disclosed to PIVB and that there is no material fact, the omission of which would make any information provided to PIVB false or misleading.

**2. DISCLOSURES OF INTEREST AND DEALINGS IN SHARES****2.1 By PTB****2.1.1 Disclosure of interests in the Offeror**

Not applicable as Tan Sri Dr Chen is an individual.

**2.1.2 Disclosure of dealings in voting shares or convertible securities of the Offeror**

Not applicable as Tan Sri Dr Chen is an individual.

**2.1.3 Disclosure of dealings in PTB Shares**

PTB has not dealt, directly or indirectly, in any of its voting shares during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

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**ADDITIONAL INFORMATION (Cont'd)**

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**2.2 By the Directors of PTB****2.2.1 Disclosure of interests in the Offeror**

Not applicable as Tan Sri Dr Chen is an individual.

**2.2.2 Disclosure of dealings in voting shares or convertible securities of the Offeror**

Not applicable as Tan Sri Dr Chen is an individual.

**2.2.3 Disclosure of interests in PTB**

As at the LPD, save for Chen Yiy Fon (being the Interested Director by virtue of his family relationship with the Offeror), none of the Directors of PTB have any interest in PTB Shares or its related corporations. For further information, kindly refer to Appendix III, Part A of this Document.

**2.2.4 Disclosure of dealings in PTB Shares**

None of the Directors of PTB has dealt, directly or indirectly, in any voting shares of PTB during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

**2.3 By the persons with whom PTB or any persons acting in concert with it has any arrangement**

As at the LPD, there is no person with whom PTB or any persons acting in concert with it has entered into an arrangement, including any arrangement involving rights over shares, any indemnity arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to PTB Shares which may be an inducement to deal or to refrain from dealing.

**2.4 By the persons with whom PTB or any persons acting in concert with it has borrowed or lent**

As at the LPD, there is no person with whom PTB or any persons acting in concert with it has borrowed or lent any voting shares of PTB.

**2.5 By PIVB and funds whose investments are managed by PIVB on a discretionary basis (“Discretionary Funds”)****(i) Disclosure of interests in PTB**

PIVB and its Discretionary Funds do not have any interest, whether direct or indirect, in any voting shares of PTB as at the LPD.

**(ii) Dealing in the securities of PTB**

PIVB and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares of PTB during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

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**ADDITIONAL INFORMATION (Cont'd)**

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**3. SERVICE CONTRACTS**

As at the LPD, the PTB Group does not have any service contracts with any of its Directors or proposed Directors, which have been entered into or amended within 6 months before the date of the SCR Offer Letter, or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company within the PTB Group without payment of compensation within 12 months from the date of this IAL.

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**HISTORICAL FINANCIAL INFORMATION OF PTB**


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**1. PROFIT AND DIVIDEND RECORD**

The profit and dividend record of PTB based on its audited consolidated financial statements for the past 3 FYEs from FYE 31 March 2017 to FYE 31 March 2019, as well as the latest unaudited consolidated financial statements for the 6-month FPE 30 September 2019 is as follows:

	Audited for the FYE 31 March			Unaudited 6-month FPE 30 September
	2017 RM'000	2018 RM'000	2019 RM'000	2019 RM'000
Revenue	21,554	21,086	2,358	1,161
(Loss)/profit before taxation	(3,634)	(24,096)	(3,361)	92
(Loss)/profit after taxation attributable to:				
Owners of the Company	(7,099)	(21,523)	(3,427)	292
Non-controlling interests	-	-	-	-
	(7,099)	(21,523)	(3,427)	292
Number of Shares in issue ('000) (excluding treasury shares)	345,831	345,831	345,831	345,831
Basic (loss)/earnings per Share (net) (sen)	(2.05)	(6.22)	(0.99)	0.08
Dividend declared	-	-	-	-
Net dividend per Share (sen)	-	-	-	-
NA attributable to owners of the Company	361,685	340,162	336,735	337,027
NA per Share (RM)	1.05	0.98	0.97	0.97

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**HISTORICAL FINANCIAL INFORMATION OF PTB (Cont'd)**


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**2. STATEMENT OF ASSETS AND LIABILITIES**

The statement of assets and liabilities of PTB based on its audited consolidated financial statements as at 31 March 2018 and 31 March 2019, as well as the latest unaudited consolidated financial statements as at 30 September 2019 is as follows:

	Audited as at 31 March		Unaudited as at 30 September
	2018 RM'000	2019 RM'000	2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	82	4	4
Investment properties	159,048	156,723	156,723
Land held for property development	189,474	189,793	190,087
	<b>348,604</b>	<b>346,520</b>	<b>346,814</b>
<b>Current assets</b>			
Trade receivables	9,399	8,455	8,335
Other receivables	1,238	951	2,728
Tax recoverable	-	-	15
Fixed deposits with licensed banks	1,089	1,124	-
Cash and bank balances	23,352	18,499	14,874
	<b>35,079</b>	<b>29,029</b>	<b>25,952</b>
<b>TOTAL ASSETS</b>	<b>383,683</b>	<b>375,549</b>	<b>372,766</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	390,057	390,057	390,057
Accumulated losses	(49,827)	(53,253)	(52,962)
Treasury shares	(68)	(68)	(68)
<b>Total equity</b>	<b>340,162</b>	<b>336,735</b>	<b>337,027</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	29,487	29,487	29,487
	<b>29,487</b>	<b>29,487</b>	<b>29,487</b>
<b>Current liabilities</b>			
Trade payables	3,841	576	485
Other payables	9,987	8,497	5,521
Tax payable	206	254	246
	<b>14,034</b>	<b>9,327</b>	<b>6,252</b>
<b>TOTAL LIABILITIES</b>	<b>43,521</b>	<b>38,814</b>	<b>35,739</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>383,683</b>	<b>375,549</b>	<b>372,766</b>



## SCR OFFER LETTER

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")**

## 1. 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 OFFER LETTER (Cont'd)

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;

## SCR OFFER LETTER (Cont'd)

- (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

## SCR OFFER LETTER (Cont'd)

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

## SCR OFFER LETTER (Cont'd)

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

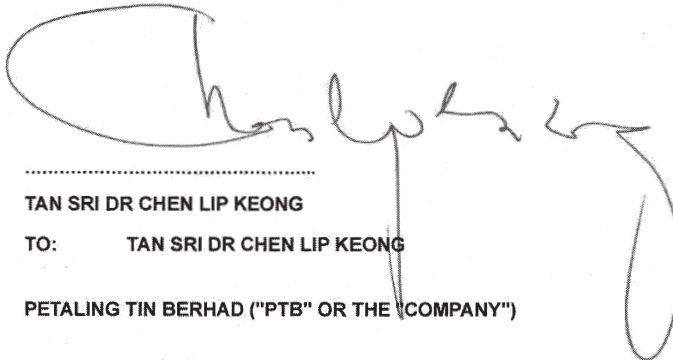
## 8. GOVERNING LAW AND DISPUTE RESOLUTION

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 : DATUK WAN KASSIM BIN AHMED**

**Designation : Chairman, Independent Non-Executive Director**

**Date : 10 December 2019**

## INFORMATION ON THE OFFEROR

1. **NAME** : Tan Sri Dr Chen Lip Keong
2. **ADDRESS** : 18, Jalan Tengku Ampuan  
Taman Duta  
50480 Kuala Lumpur  
Wilayah Persekutuan
3. **DATE OF BIRTH** : 22 July 1947
4. **PLACE OF BIRTH** : Perak, Malaysia
5. **NATIONALITY** : Malaysian

### 6. PROFILE

Tan Sri Dr Chen, a Malaysian aged 72, is currently the major shareholder of PTB. As at the LPD, he holds directly 334,845,142 PTB Shares, representing 96.82% of the total issued shares of PTB (excluding treasury shares).

He graduated from University of Malaya with a Bachelor of Medicine and Surgery's Degree in 1973 and has extensive corporate, managerial and business experiences since 1976.

He is also the major shareholder of FACB Industries Incorporated Berhad ("**FACBII**"), which is a public company listed on the Main Market of Bursa Securities. He does not sit on the board of FACBII.

In addition, he is the father to Chen Yiy Fon, who is the Chief Executive Officer/ Non-Independent Executive Director of PTB.

### 7. DIRECTORSHIPS AND/ OR SUBSTANTIAL SHAREHOLDING IN PUBLIC LISTED COMPANIES IN MALAYSIA

Save as disclosed below, as at the LPD, Tan Sri Dr Chen does not hold any directorships or substantial shareholding in other public listed companies in Malaysia:-

Company	Designation	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
FACBII	-	16,925,000 <sup>*1</sup>	20.18	8,374,389 <sup>*2</sup>	9.98

#### Notes:-

\*1 16,925,000 ordinary shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local)

\*2 Indirect interest by virtue of his interest in Blue Velvet Property Corp

## INFORMATION ON PTB

### 1. HISTORY AND BUSINESS

PTB was incorporated in Malaysia on 26 October 1920 under the Companies Ordinances, 1940-1946 under the name of Petaling Tin Limited. It assumed its present name on 15 April 1966. PTB was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 28 December 1973. PTB was subsequently de-listed and removed from the official list of Bursa Securities on 16 August 2018.

PTB is principally engaged in the business of property development, investment holdings and providing management services. Through its subsidiary companies, PTB is principally involved in the businesses of property development, property investment and investment holdings.

### 2. SHARE CAPITAL

#### 2.1 Share capital

As at the LPD, the details of the share capital of PTB are set out below:-

	No. of Shares	Total RM
Issued share capital	346,102,679 <sup>*1</sup>	390,056,677 <sup>*2</sup>

**Notes:-**

<sup>\*1</sup> Including 271,700 treasury shares

<sup>\*2</sup> The amount has been rounded to the nearest whole figure

As at the LPD, there is only one class of shares in PTB, i.e. ordinary shares in PTB.

#### 2.2 Changes in the issued share capital

Since the end of the FYE 31 March 2019 up to the LPD, there are no changes in PTB's issued share capital.

#### 2.3 Convertible securities

As at the LPD, PTB does not have any convertible securities.

### 3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the substantial shareholder of PTB and the direct and indirect shareholdings in PTB are set out below:-

	Nationality	<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>
Tan Sri Dr Chen	Malaysian	334,845,142 <sup>*2</sup>	96.82	-	-

**Notes:-**

<sup>\*1</sup> Computed based on 345,830,979 shares in issue in PTB (excluding treasury shares)

<sup>\*2</sup> 286,971,923 PTB Shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local)

## INFORMATION ON PTB (Cont'd)

## 4. DIRECTORS

As at the LPD, the Directors of PTB and their respective shareholdings in PTB are set out below:-

Directors	Nationality	Designation	Address	<----- Direct ----->		<----- Indirect ----->	
				No. of Shares	%	No. of Shares	%
Datuk Wan Kassim bin Ahmed	Malaysian	Chairman, Independent Non-Executive Director	8, Jalan SS 14/7B Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan	-	-	-	-
Chen Yiy Fon	Malaysian	Chief Executive Officer, Non-Independent Executive Director	18, Jalan Tengku Ampuan Taman Duta 50480 Kuala Lumpur Wilayah Persekutuan	-	-	-	-
Lim Mun Kee	Malaysian	Independent Non-Executive Director	No. 9, Jalan Merak 6 Puchong Jaya, 47100 Puchong Selangor Darul Ehsan	-	-	-	-

As at the LPD, save for Chen Yiy Fon (being the Interested Director by virtue of his family relationship with the Offeror), none of the Directors of PTB have any interest in PTB Shares or its related corporations.

## 5. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

## 5.1 Subsidiary companies

As at the LPD, the subsidiary companies of PTB are set out below:-

Name of company	Place of incorporation	Effective equity interest %	Principal activities
Golden Domain Development Sdn Bhd	Malaysia	100.0	Investment holding, property investment and development
Golden Domain Holdings Sdn Bhd	Malaysia	100.0	Investment holding
Lembah Langat Development Sdn Bhd	Malaysia	100.0	Property investment and development
Majurama Developments Sdn Bhd	Malaysia	100.0	Property development
Magilds Park Sdn Bhd	Malaysia	100.0	Property investment and development
Petaling Ventures Sdn Bhd	Malaysia	100.0	Dormant
PTB Clay Products Sdn Bhd	Malaysia	100.0	Dormant
PTB Development Sdn Bhd	Malaysia	100.0	Dormant
PTB Horticulture Farm Sdn Bhd	Malaysia	100.0	Property investment and development



## INFORMATION ON PTB (Cont'd)

Name of company	Place of incorporation	Effective equity interest	Principal activities
Ukaylake Country Club Sdn Bhd (formerly known as Ukaylake Country Club Bhd)	Malaysia	100.0	Dormant

**5.2 Associate company**

As at the LPD, PTB does not have any associate company.

**5.3 Joint venture company**

As at the LPD, PTB does not have any joint venture company.

**6. PROFIT AND DIVIDEND RECORD**

The profit and dividend record based on PTB's audited consolidated financial statements for the past 3 financial years up to the FYE 31 March 2019 is as follows:-

	<----- Audited FYE 31 March ----->		
	2017 RM'000	2018 RM'000	2019 RM'000
Revenue	21,554	21,086	2,358
Profit/ (Loss) before taxation	(3,634)	(24,096)	(3,361)
PAT/ LAT attributable to:-			
Owners of the Company	(7,099)	(21,523)	(3,427)
Non-controlling interest	-	-	-
	(7,099)	(21,523)	(3,427)
No. of Shares ('000) (excl. treasury shares)	345,831	345,831	345,831
Basic LPS (net) (sen)	(2.05)	(6.22)	(0.99)
Dividend declared	-	-	-
Net dividend per Share (sen)	-	-	-
NA attributable to owners of the Company	361,685	340,162	336,735
NA per Share (RM)	1.05	0.98	0.97

There is no exceptional item in PTB's audited consolidated financial statements for the past 3 financial years up to the FYE 31 March 2019.

**7. STATEMENT OF ASSETS AND LIABILITIES**

The statement of assets and liabilities of PTB based on its consolidated audited financial statements as at 31 March 2018 and 31 March 2019 are as follows:-

	31 March 2018 RM'000	31 March 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	82	4
Investment properties	159,048	156,723
Land held for property development	189,474	189,793
	348,604	346,520
<b>Current assets</b>		
Trade receivables	9,399	8,455

## INFORMATION ON PTB (Cont'd)

	31 March 2018	31 March 2019
	RM'000	RM'000
Other receivables	1,238	951
Fixed deposits with licensed banks	1,089	1,124
Cash and bank balances	23,352	18,499
	<u>35,079</u>	<u>29,029</u>
<b>TOTAL ASSETS</b>	<b>383,683</b>	<b>375,549</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	390,057	390,057
Accumulated losses	(49,827)	(53,253)
Treasury shares	(68)	(68)
Total equity	<u>340,162</u>	<u>336,735</u>
<b>LIABILITIES</b>		
<b>Non-current liability</b>		
Deferred tax liabilities	29,487	29,487
	<u>29,487</u>	<u>29,487</u>
<b>Current liabilities</b>		
Trade payables	3,841	576
Other payables	9,987	8,497
Tax payable	206	254
	<u>14,034</u>	<u>9,327</u>
<b>TOTAL LIABILITIES</b>	<b>43,521</b>	<b>38,814</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>383,683</b>	<b>375,549</b>

**8. MATERIAL CHANGES IN THE FINANCIAL POSITION**

There is no known material change in the financial position of PTB subsequent to its last audited consolidated financial statements for the FYE 31 March 2019 up to the LPD.

**9. ACCOUNTING POLICIES**

Based on the audited consolidated financial statements of PTB for the past 3 financial years up to the FYE 31 March 2019, the consolidated financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act, and there was no audit qualification for PTB's financial statements for the respective financial years under review.

There is no change in the aforementioned adopted accounting standards which would result in a material variation to the comparable figures for the audited consolidated financial statements of PTB for the past 3 financial years up to the FYE 31 March 2019.

**10. HISTORICAL SHARE PRICES**

PTB Shares have been suspended from trading on the Main Market of Bursa Securities since 3 August 2018 and the last transacted price of PTB Shares was on 2 August 2018 at RM0.39 per PTB Share. Further, PTB was delisted and removed from the official list of Bursa Securities on 16 August 2018.

## DISCLOSURE OF INTERESTS AND DEALINGS IN PTB SHARES

### 1. INTERESTS IN PTB

The disclosure of interests below is in respect of PTB Shares. There is only one class of shares in PTB, being the ordinary shares.

#### 1.1 By the Offeror and his person(s) acting in concert

Save as disclosed below, the Offeror and his person(s) acting in concert do not have any other interest, whether direct or indirect, in PTB Shares as at the LPD:-

	Direct		Indirect	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>
Tan Sri Dr Chen	334,845,142 <sup>*2</sup>	96.82	-	-

**Notes:-**

<sup>\*1</sup> Computed based on 345,830,979 PTB Shares in issue (excluding treasury shares)

<sup>\*2</sup> 286,971,923 PTB Shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local)

#### 1.2 By persons who have irrevocably undertaken to vote in favour of or against the Proposed SCR

As at the LPD, the Offeror or any of his person(s) acting in concert has not received any irrevocable undertaking from any Non-Interested Shareholders to vote in favour of or against the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM of the Company.

#### 1.3 By persons who have any arrangement with the Offeror and his person(s) acting in concert

As at the LPD, the Offeror and his person(s) acting in concert have not entered into any arrangement, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the PTB Shares which may be an inducement to deal or to refrain from dealing in relation to the Proposed SCR.

#### 1.4 Borrowing or lending of PTB Shares by the Offeror or his person(s) acting in concert

As at the LPD, the Offeror and his person(s) acting in concert have not borrowed any PTB Shares from another person or lent any PTB Shares to another person.

### 2. DEALINGS IN PTB SHARES

#### 2.1 By PTB and its Directors

PTB and its Directors have not dealt in PTB Shares during the period commencing 6 months prior to 22 November 2019, being the date of the SCR Offer Letter, and up to the LPD.

#### 2.2 By the Offeror and his person(s) acting in concert

The Offeror and his person(s) acting in concert have not dealt in PTB Shares during the period commencing 6 months prior to 22 November 2019, being the date of the SCR Offer Letter, and up to the LPD.

**DISCLOSURE OF INTERESTS AND DEALINGS IN PTB SHARES (Cont'd)**

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**3. MATERIAL CHANGE TO THE FINANCIAL POSITION OR PROSPECTS OF PTB**

As at the LPD, there has not been, within the knowledge of the Offeror, any material change to the financial position or prospects of PTB since the date of the last audited financial statements of PTB for the FYE 31 March 2019 laid before the Company in its general meeting on 26 September 2019.

**4. GENERAL DISCLOSURES**

- (i) As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Directors as compensation for loss of office or otherwise in relation to the Proposed SCR;
- (ii) As at the LPD, save for the Proposed SCR that involves the Interested Director, there is no agreement, arrangement or understanding existing between the Offeror or his person(s) acting in concert and any of the existing Directors or recent Directors (being such person who was, during the period of 6 months prior to 22 November 2019, being the date of the SCR Offer Letter, a director of PTB), or any existing shareholders or recent shareholders of PTB (being such person who was, during the period of 6 months prior to 22 November 2019, being the date of the SCR Offer Letter, a shareholder of PTB) having any connection with or dependence upon the Proposed SCR;
- (iii) As at the LPD, save for the Proposed SCR that involves the Interested Director, there is no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposed SCR or otherwise connected with the outcome of the Proposed SCR;
- (iv) As at the LPD, there is no agreement, arrangement or understanding which is entered into by the Offeror or his person(s) acting in concert whereby any PTB Shares held by the Offeror or his person(s) acting in concert upon the Completion will be transferred to any other person; and
- (v) As at the LPD, save for the employment contracts entered into in the ordinary course of business of PTB, there is no material contract entered into by the Offeror or his person(s) acting in concert in which any Director has a material personal interest.

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**ADDITIONAL INFORMATION**

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**1. RESPONSIBILITY STATEMENTS**

This Document has been seen and approved by the Board, who collectively and individually have taken reasonable care to ensure that the facts stated and opinions expressed by the Board in this Document, in so far as it relates to PTB, are fair and accurate and that no material facts have been omitted and that the Board accepts responsibility accordingly.

The Board jointly and severally accepts full responsibility for the accuracy of the information contained in this Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, the facts stated and/ or opinions expressed by the Board in this Document are fair and accurate after due and careful consideration and that no material facts have been omitted in this Document, the omission of which would make any statement in this Document misleading.

Information on the Offeror in the Circular and IAL was provided by the Offeror. Any statement or information in relation to the Offeror as disclosed in the Circular and IAL is confirmed by the Offeror to be fair and accurate with no material fact omitted. The responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Document.

In respect of the IAL, the responsibility of the Board is limited to ensuring that all relevant information in relation to PTB Group that was provided to the Independent Adviser for its evaluation of the Proposed SCR is accurate and that no material fact, the omission of which would make any information provided to the Independent Adviser false or misleading.

**2. CONSENTS AND CONFLICT OF INTERESTS****2.1 UOBKH**

UOBKH, being the Principal Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion in this Document of its name and all references thereto, in the form and context in which it appears.

UOBKH is also the adviser to the Offeror for the Proposed SCR. The Board is fully informed of and is aware of UOBKH's capacity as the Principal Adviser to PTB and the adviser to the Offeror. Nevertheless, PTB has appointed PIVB as the Independent Adviser to advise the non-interested Directors and Entitled Shareholders on the Proposed SCR.

Further, UOBKH has given its written confirmation that there is no situation of conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser to PTB and the adviser to the Offeror for the Proposed SCR.

**2.2 PIVB**

PIVB, being the Independent Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion in this Document of its name and all references thereto, in the form and context in which it appears. To the best of PIVB's knowledge, there is no potential conflict of interest situation which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed SCR.

**2.3 MacReal**

MacReal has given and has not subsequently withdrawn its written consent to the inclusion in this Document of its name and all references thereto, in the form and context in which it appears. To the best of MacReal's knowledge, there is no potential conflict of interest situation which exists or is likely to exist in its capacity as an independent valuer for the Proposed SCR.

**ADDITIONAL INFORMATION (Cont'd)**

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**3. MATERIAL CONTRACTS**

As at the LPD, there are no material contracts (not being the contracts entered into in the ordinary course of business) entered into or incurred or known to be entered into or incurred by the Company within 2 years preceding the date of the SCR Offer Letter up to the LPD.

**4. MATERIAL COMMITMENTS**

As at the LPD, there are no material commitments incurred or known to be incurred by PTB Group which, upon becoming due or enforceable, may have a material impact on the financial position of PTB Group.

**5. BORROWINGS AND MATERIAL CONTINGENT LIABILITIES****5.1 Borrowings**

As at 29 November 2019, being not more than 3 months prior to the LPD, PTB Group does not have any interest-bearing borrowings.

**5.2 Contingent Liabilities**

As at 29 November 2019, being not more than 3 months prior to the LPD, PTB Group does not have any contingent liabilities incurred or known to be incurred by PTB Group which, upon becoming enforceable, may have a material impact on the financial position of PTB Group.

**6. MATERIAL LITIGATION**

As at the LPD, PTB Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of PTB Group and the Board of PTB has no knowledge of any proceedings, pending or threatened, against PTB Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of PTB Group.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's Registered Office at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except weekends and public holidays) from the date of this Document up to and including the date of the forthcoming EGM:-

- (i) The Constitution of PTB;
- (ii) The audited consolidated financial statements of PTB for the past 3 financial years up to the FYE 31 March 2019;
- (iii) The SCR Offer Letter dated 22 November 2019 in relation to the Proposed SCR;
- (iv) The letters of consent referred to in **Section 2** of this **Appendix V**; and
- (v) The valuation certificates issued by the independent valuer, namely MacReal.

# PETALING TIN BERHAD

Registration No. 192001000048 (324-H)  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Petaling Tin Berhad ("**PTB**" or the "**Company**") will be held at Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan, Malaysia on Wednesday, 5 February 2020 at 11.00 a.m., or any adjournment thereof, for the purpose of considering, and if thought fit, passing the following special resolution:-

### SPECIAL RESOLUTION

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

**"THAT** subject to the approvals being obtained from all relevant authorities and parties, and the confirmation of the High Court of Malaya pursuant to Section 116 of the Act, approval be and is hereby given to the Company to undertake and effect the Proposed SCR in the following manner:-

- (i) to undertake a selective capital reduction to cancel all of the treasury shares held by the Company and all of the ordinary shares in PTB ("**PTB Share(s)**") held by the shareholders of PTB (other than Tan Sri Dr Chen Lip Keong, being the "**Non-Entitled Shareholder**") ("**Entitled Shareholders**") whose names appear in the record of depositors and register of members of the Company as at the close of business on an entitlement date to be determined later ("**Entitlement Date**"); and
- (i) thereafter, to effect a capital repayment of RM0.40 in cash for each PTB Share held by the Entitled Shareholders on the Entitlement Date.

**THAT**, pursuant to the Proposed SCR, the Board of Directors of PTB ("**Board**") be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposed SCR, including:-

- i. to determine the Entitlement Date on which the names of the Entitled Shareholders must be registered in the record of depositors and register of members of the Company in order to be entitled under the Proposed SCR;
- ii. to assent to any term(s), condition(s), stipulation(s), modification(s), variation(s) and/ or amendment(s) or as a consequence of any requirement(s) imposed by the relevant authorities, the High Court of Malaya and/ or by the Registrar of Companies in Malaysia ("**Registrar**") and/ or as may be required to comply with any applicable law(s) in relation to the Proposed SCR;
- iii. to lodge a copy of the sealed order of the High Court of Malaya granted pursuant to Section 116 of the Act confirming the reduction of share capital with the Registrar pursuant to Section 116(6) of the Act on such date as the Board may determine;
- iv. after the lodgment of the order of the High Court of Malaya with the Registrar, to effect the capital repayment of RM0.40 in cash for each PTB Share held by the Entitled Shareholders on the Entitlement Date; and
- v. to do all such acts, deeds, and/ or things incidental, and/ or as may be required and/ or as considered necessary and/ or expedient in the best interest of the Company, and to take such steps, execute such documents and enter into any arrangements and/ or agreements with any party or parties as they may deem fit, necessary, expedient and/ or appropriate in order to implement, finalise, complete and to give full effect to the Proposed SCR.

## By Order of the Board

**YEW NYUK KWEI (MACS 01247)**

Company Secretary

Petaling Jaya

14 January 2020

### Notes:-

1. *A member entitled to attend, participate, speak and vote at the Meeting is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his/ her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.*
2. *The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.*
3. *If the Proxy Form is returned without any indications as to how the proxy shall vote, the proxy will vote or abstain as he/ she thinks fit.*
4. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Company's Registered Office at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting*
5. *Please note that in order to attend and vote at the Meeting, a member must be registered in the Record of Depositors and register of members on 28 January 2020 in accordance with Article 49(b) of the Company's Constitution. Any changes in the entries on the Record of Depositors and register of members after the above mentioned date shall be disregarded in determining the rights of any person to attend and vote at the Meeting.*
6. *Where a member of the Company is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus"), is entitled to appoint multiple proxies in respect of each omnibus account it holds.*



**PETALING TIN BERHAD**  
Registration No. 192001000048 (324-H)  
(Incorporated in Malaysia)

## Proxy Form

Number of shares held:	
CDS Account no.	

\*I/ We \_\_\_\_\_

(Please use block letters)

of \_\_\_\_\_

(Full address)

being a \*member/ members of **PETALING TIN BERHAD** ("the Company") hereby appoint:-

First Proxy			
Full name (in block)	*NRIC/ Passport No./ Company No.	Proportion of shareholdings	
		No. of shares	%
Address			

\*and/ or

Second Proxy			
Full name (in block)	*NRIC/ Passport No./ Company No.	Proportion of shareholdings	
		No. of shares	%
Address			

or failing \*him/ her, the Chairman of the Meeting as \*my/ our proxy/ proxies to vote for \*me/ us on \*my/ our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Function Room, Bukit Unggul Country Club, Lot PT 2180-2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan, Malaysia on Wednesday, 5 February 2020 at 11.00 a.m. and at any adjournment thereof.

Please indicate with "X" in the appropriate box how you wish your vote to be cast. If this proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as \*he/ she/ they may think fit.

SPECIAL RESOLUTION	For	Against
Proposed Selective Capital Reduction and Repayment Exercise under Section 116 of the Companies Act, 2016		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Contact No. (during office hours) \_\_\_\_\_ Signature/ Seal of Shareholder \_\_\_\_\_

### Notes:-

- A member entitled to attend, participate, speak and vote at the Meeting is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his/ her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.*
- The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.*
- If the Proxy Form is returned without any indications as to how the proxy shall vote, the proxy will vote or abstain as he/ she thinks fit.*
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Company's Registered Office at 1st Floor, No. 118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting*
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AFFIX  
STAMP

THE COMPANY SECRETARY  
**PETALING TIN BERHAD**  
1st Floor, No. 118, Jalan Semangat  
46300 Petaling Jaya  
Selangor Darul Ehsan

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