

## SUPER ENTERPRISE HOLDINGS BERHAD (“SEHB” OF “COMPANY”)

### PROPOSED OPTION ARRANGEMENT

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#### 1. INTRODUCTION

On behalf of the Board of Directors of SEHB (“**Board**”), the Company wishes to announce that the Company had on today entered into the following agreements:-

- (a) a call option agreement with Goh Jooi Chong (“**GJC**”), Goh Yong Wee (“**GYW**”) and Yong Chen Voon (“**YCB**”) (“**SEPSB Vendors**”) for SEHB to acquire the remaining 680,000 ordinary shares of RM1.00 each, representing 40% of the equity interest in S.E. Printing (M) Sdn Bhd (“**SEPSB**”) (“**SEPSB Call Option Agreement**”);
- (b) a shareholder agreement with SEPSB Vendors and SEPSB to set out the rights and obligation as well as regulate their relationship as shareholders in SEPSB (“**SEPSB SHA**”);
- (c) a call option agreement with Ong Hing Keat, Paisri Kladsumniang and Paweena ladsumniang (“**SETC Vendors**”) for SEHB to acquire all the 15,300 preference shares of 100 Baht each of S.E. Industries (Thailand) Co., Ltd (“**SETC**”) (“**SETC Call Option Agreement**”);
- (d) a call and put option agreement with Jenny Lee (“**SLI Vendor**”) for SEHB to acquire the remaining 20,000 ordinary share of USD10 each, representing 20% equity interest in PT. Super Label Indonesia (“**SLI**”) (“**SLI Call and Put Option Agreement**”);
- (e) a shareholder agreement with SLI Vendor to set out the rights and obligation as well as regulate their relationship as shareholders in SLI (“**SLI SHA**”);
- (f) a call option agreement with Goh Jui Leang, Goh Joi Sang, Yam Kee Neng, Criselda V.Mangahas and Kenneth C.Radaza (“**SEIP Vendors**”) for SEHB to acquire the remaining five (5) ordinary shares of 100 Peso (PHP 100) each, representing approximately 0.01% in S.E. Industries (Philippines) Inc (“**SEIP**”) (“**SEIP Call Option Agreement**”); and
- (g) a trust deed with SEIP Vendors in relation to the rights and ownership of the remaining five (5) ordinary shares of 100 Peso (PHP 100) each, representing approximately 0.01% in SEIP (“**SEIP Trust Deed**”).

(Collectively known as “**Proposed Option Arrangement**”)

#### 1.2 The background of companies above are as follows:

**a)** SEP is a 60% owned subsidiary of Super and was incorporated on 18 March 1995. The authorised share capital is RM2 million divided into 2 million Ordinary Shares of RM1.00 each and the issued and paid-up share capital is RM1.7 million divided into 1.7 million Ordinary Shares of RM1.00 each. SEP is principally engaged in the manufacturing and marketing of name plates and light plates.

The shareholders and their shareholdings in SEP are as follows:

- i) Super (60% shareholding)
- ii) GJC (20% shareholding)
- iii) Goh Yong Wee (“**GYW**”) (10% shareholding)
- iv) Yong Chen Voon (10% shareholding)

The Directors of SEP are Goh Jui Leang, Goh Joi Sang and GJC.

b) SETC was incorporated on 4 April 2001. The total authorized ordinary share capital is THB 34.75 million (equivalent to approximately RM 3.87 million) comprising 332,200 ordinary shares of THB100 each and 15,300 preference shares of THB100 each. The ordinary shares are all held by SEHB where else the preference shares are held by the following individuals:

Ong Hing Keat	11,300 shares
Paisri Kladsumniang	2,000 shares
Paweena Kladsumniang	2,000 shares

SETC is principally engaged in the manufacturing and distribution of self adhesive labels and stickers.

The Directors of SETC are Goh Jui Leang, Goh Joi Sang, Ong Hing Keat and Paisri Kladsumniang.

c) SLI is a 80% owned subsidiary of Super and was incorporated on 19 November 1997. The authorised share capital is USD2 million divided into 200,000 Ordinary Shares of USD10.00 each and the issued and paid-up share capital is USD1 million (equivalent to RM3.75m) divided into 100,000 Ordinary Shares of USD10.00 each. SLI is principally engaged in the manufacturing and distribution of self adhesive labels and stickers.

The shareholders and their shareholdings in SLI are as follows:

SEHB (80% shareholding)  
Jenny Lee (20% shareholding)

The Directors of SLI are Goh Jui Leang and Jenny Lee and SLI's Commissioner is Goh Joi Sang

d) SEIP is a 99.99% owned subsidiary of Super and was incorporated on 12 February 2002. The authorised share capital is PHP50.78 million divided into 507,800 Ordinary Shares of PHP100.00 each and the issued and paid-up share capital is PHP17.695 million (equivalent to RM1.47m) divided into 176,950 Ordinary Shares of PHP100.00 each. SEIP is principally engaged in the manufacturing and distribution of self adhesive labels and stickers.

The shareholders and their shareholdings in SEIP are as follows:

SEHB	176,945 shares (99.99% shareholding)
Goh Jui Leang	1 share
Goh Joi Sang	1 share
Criselda Villegas Mangahas	1 share
Kenneth Castillo Radaza	1 share

The Directors of SEIP are Goh Jui Leang, Goh Joi Sang and Yam Kee Neng.

## **2. SALIENT TERMS OF THE AGREEMENTS**

### **2.1 SEPSB Call Option Agreement**

The salient terms of the SEPSB Call Option Agreement, amongst others, are as follows:-

#### **2.1.1 SEPSB Call Option**

- (a) In consideration of SEHB paying to each of the SEPSB Vendors the sum of Ringgit Malaysia Ten (RM10.00), each of the SEPSB Vendors grants to SEHB the option to purchase all (but not some only) of each SEPSB Vendors' option shares during the call option period, being the period from the date immediately after a twelve (12) months' period succeeding the date of the SEPSB Call Option Agreement and expiring on the day when all of the SEPSB Vendors or the last person of the SEPSB Vendors (as the case may be), ceased to be a shareholder of SEPSB ("**SEPSB Call Option Period**"), on the exercise of which, the SEPSB Vendors shall become bound to sell and the SEHB shall become bound to complete the purchase of all of the option shares on the terms as stipulated in the SEPSB Call Option Agreement.
- (b) Neither the SEPSB Vendors nor SEHB shall be obliged to complete the sale and purchase of the option shares unless the sale and purchase of all the option shares is completed simultaneously, but completion of the sale and purchase of some of the option shares will not affect the rights of the SEPSB Vendors or SEHB with respect to the others.
- (c) All voting and other rights attached to the option shares shall accrue to SEHB on the exercise date and, following that time, the SEPSB Vendors shall exercise all voting and other rights at the direction of the SEHB.
- (d) If so required, SEHB shall first procure for the requisite approval from its shareholders prior to issuing the option notice to the SEPSB Vendors.

#### **2.1.2 Transfer Price**

If the transfer price, being the total value of the option shares, derived and calculated by the auditor based on five (5) times of SEPSB's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") less indebtedness of SEPSB including inter-company debts plus net cash of SEPSB of the latest monthly management account as approved by the board of directors of SEPSB for the twelve (12) months rolling period prior to the exercise date ("**SEPSB Call Option Transfer Price**"), or any part thereof is not paid on the date herein fixed for completion (otherwise than as a result of the default of the SEPSB Vendors), the unpaid sum will carry interest calculated based on a daily rest basis at a rate of 8% per annum from the due date to the date of actual payment (both dates inclusive).

#### **2.1.3 Duration of obligation**

- (a) The SEPSB Call Option Agreement shall terminate on the SEPSB Call Option Period, if no option notice shall have been served on or prior to such time.
- (b) If any option notice shall have been served on or prior to the expiry of the SEPSB Call Option Period, the SEPSB Call Option Agreement shall terminate upon the fulfilment of the parties' obligations hereunder.
- (c) The SEPSB Call Option Agreement shall automatically terminate in the event that the SEPSB enters into liquidation or compounds or makes any voluntary arrangement with its creditors or has a receiver, administrative receiver, administrator or other similar officer or encumbrancer appointed to it or over all or any part of its assets or

takes or suffers any similar action in consequence of debt or [its liabilities including contingent liabilities exceed its assets or] becomes unable to pay its debts as and when they fall due.

## SEPSB SHA

The salient terms of the SEPSB SHA, amongst others, are as follows:-

### 2.2.1 Share capital and increase in share capital

- (a) The shareholdings in SEPSB shall be maintained at all times in the following proportions:

Shareholders	Ordinary Shares held in SEPSB	Shareholding in SEPSB
SEHB	1,020,000	60%
GJC	340,000	20%
GYW	170,000	10%
YCV	170,000	10%
<b>Total</b>	<b>1,700,000</b>	<b>100%</b>

- (b) No new shares may be issued without the unanimous approval of all the shareholders of SEPSB obtained at a general meeting. If an existing SEPSB shareholder rejects the offer, or accepts a lesser number of new shares of its pro-rata entitlement in relation to any new shares to be issued as aforesaid, then such unaccepted new shares shall thereafter be offered to the other parties and if such parties have accepted its respective entitlement under such issue (and if more than one such party, in such proportion as their respective shareholdings for the time being in SEPSB bear to their total joint shareholdings *inter se* before such issue). Any such new shares not eventually accepted may be disposed of by the directors in such manner as they think most beneficial to SEPSB or the directors may choose not to issue such new shares.
- (c) In the event that a third party becomes a shareholder of SEPSB, the third party shall execute a deed of adherence under which such party shall agree to be bound and shall be entitled to the benefit of the SEPSB SHA as though such party were an original shareholder.

### 2.2.2 Pre-emptive rights

- (a) None of the SEPSB shareholders shall sell dispose or transfer (including any assignment, charge, mortgage, pledge or any act or disposition which may vest any rights in or over the SEPSB Shares to any other party) any of its SEPSB shares unless and until the rights of pre-emption shall have been exhausted.
- (b) Any shareholder who desires to transfer all of its Shares shall notify SEPSB in writing via a Transfer Notice and upon receipt of the transfer notice by SEPSB, SEPSB shall promptly offer to the other SEPSB shareholders ("**Offeree Shareholders**") in writing the sale shares in proportion to their then shareholdings in SEPSB. If there is only one (1) Offeree Shareholder, all the sale shares shall be offered to one (1) Offeree Shareholder. Each Offeree Shareholder shall within fourteen (14) days of the date of despatch of the notice ("**Offer Period**") intimate in writing whether or not the offer is accepted by it, failing which the offer shall be deemed to have lapsed. The Offeree Shareholder(s) shall accept all and not part of the sale shares which are offered to the Offeree Shareholder(s). If the Offeree Shareholder(s) is SEHB, then the acceptance of offer by SEHB may be conditional and be subjected to SEHB's shareholders approval or any the relevant regulatory approvals, if required ("**SEHB's Approvals**"). In such a circumstance, SEHB shall procure such relevant approvals within a period of sixty (60)

days from SEHB's acceptance of the offer or such other further extension of time as may be agreed by the SEPSB's shareholders ("**SEHB's Approvals Period**").

- (c) If any of the Offeree Shareholders does not accept the offer by SEPSB ("**Rejecting Shareholders**"), SEPSB shall make a further offer in writing offering the sale shares which were not accepted by the Rejecting Shareholders at the offer price ("**Rejected Shares**") to other transferee shareholder(s) in proportion to the transferee shareholder(s)' then existing shareholding in SEPSB (that is, excluding any sale shares accepted by the Transferee Shareholder). If there is only one (1) transferee shareholder, all the Rejected Shares shall be offered to one (1) transferee shareholder. The transferee shareholder(s) (or if the transferee shareholder(s) is SEHB, after obtaining SEHB's Approval within the SEHB's Approval Period shall accept all and not part of the Rejected Shares which are offered to him. Upon receipt of the purchase consideration for the sale shares and/or Rejected Shares by the Vendor, SEPSB shall effect the transfer of the sale shares and/or the Rejected Shares to the transferee shareholder(s).

### 2.2.3 Tag Along

- (a) If SEHB, holding SEPSB shares equivalent to not less than sixty per cent (60%) of the total issued and paid up share capital of SEPSB wishes to sell or transfer all or any of its SEPSB shares to any person nominated by SEHB (the "**Third Party Purchaser**") pursuant to a bona fide arm's length transaction(the "**Offer**"), each of the other SEPSB's shareholders (the "**Tag Along Shareholder(s)**") shall have the right to require the sale or transfer of all or any of its SEPSB shares held by the Tag Along Shareholder(s) together with the sale of SEHB's SEPSB shares to the Third Party Purchaser under the same terms and conditions offered to SEHB ("**Tag Along Rights**").
- (b) In the event the Tag Along Shareholder(s) fails to receive the selling notice from SEHB or that the third party purchaser fails to purchase the Tag Along Shareholder(s) Shares, the board of directors of SEPSB shall not effect any sale and transfer of SEHB's SEPSB shares to any third party.

### 2.2.4 Drag Along

- (a) if SEHB, holding SEPSB shares equivalent to not less than sixty per cent (60%) of the total issued and paid up share capital of SEPSB, wishes to sell or transfer all or any of its shares in SEPSB to any person nominated by SEPSB (the "**Third Party Purchaser**") pursuant to a bona fide arm's length transaction, SEHB shall have the right (the "**Drag Along Rights**") to require each of the other SEPSB shareholders (the "**Called Shareholder(s)**") to transfer all or part of their shares in SEPSB to the Third Party Purchaser if SEHB accept in writing the offer and terms set out in the Drag Along notice.
- (b) the parties hereby acknowledge and agree that prior to SEHB exercising its Drag Along Rights, the rights of pre-emption of the parties pursuant to the SEPSB SHA shall have to be exhausted first.

### 2.2.5 Board of directors

The total number of directors and its structure shall be as follows:-

- (a) the number of directors of the Company shall be not more than five (5).
- (b) SEHB shall have the power to appoint up to three (3) nominees as directors of SEPSB ("**SEHB Nominee(s)**") and to remove and substitute any SEHB Nominee(s) so appointed.

- (c) GJC, GYW and YCV, collectively shall have the power to appoint two (2) nominees as directors of SEPSB ("**GGY Nominee(s)**") and to remove and substitute any GGY Nominee(s) so appointed.

## 2.3 SETC Call Option Agreement

The salient terms of the SETC Call Option Agreement, amongst others, are as follows:-

### 2.3.1 Call Option

- (a) In consideration of SEHB paying to each of the SETC Vendors the sum of One Hundred Baht (100.00 Baht) (receipt of which is hereby acknowledged), each of the SETC Vendors hereby grants to SEHB the option to purchase all (but not some only) of each SETC Vendors' preference shares during the call option period, being the period of six (6) calendar months from the date of the SETC Call Option Agreement (both dates inclusive) or such other further extension as may be mutually agreed by the parties hereto in writing ("**SETC Call Option Period**") on the exercise of which, the the SETC Vendors shall become bound to sell and SEHB shall become bound to complete the purchase of all of the preference shares on the terms and conditions as stipulated in the SETC Call Option Agreement.
- (b) Neither the SETC Vendors nor SEHB shall be obliged to complete the sale and purchase of the preference shares unless the sale and purchase of all the preference shares is completed simultaneously, but completion of the sale and purchase of some of the preference shares will not affect the rights of the SETC Vendors or SEHB with respect to the others.
- (c) All voting and other rights attached to the SETC preference shares shall accrue to SEHB on the exercise date and, following that time, the SETC Vendors shall exercise all voting and other rights at the direction of SEHB.
- (d) If so required, SEHB shall first procure for the requisite approval from its shareholders prior to issuing the option notice to the SETC Vendors.

### 2.3.2 Transfer Price

If the SETC Call Option Transfer Price (as defined below) or any part thereof is not paid on the date herein fixed for completion of the sale and purchase of the option shares (otherwise than as a result of the default of the SETC Vendors), the unpaid sum will carry interest calculated based on a daily rest basis (as well after as before judgment) at a rate of 8% per annum from the due date to the date of actual payment (both dates inclusive).

### 2.3.3 SETC Call Option Transfer Price

Subject to SETC Vendors complying with their obligations under the SETC Call Option Agreement, SEHB shall pay the transfer price as set out below plus accrued interest, if any.

<b>Name</b>	<b>Number Of Preference Shares Held</b>	<b>Number Of Preference Shares To Be Sold</b>	<b>SETC Call Option Transfer Price Payable</b>
Ong Hing Keat	11,300	11,300	1,000.00 Baht
Paisri	2,000	2,000	100.00 Baht
Kladsumniang Paweena	2,000	2,000	100.00 Baht
<b>Total</b>	<b>15,300</b>	<b>15,300</b>	<b>1,200 Baht</b>

#### **2.3.4 Duration of obligation**

- (a) The SETC Call Option Agreement shall terminate on the SETC Call Option Period, if no option notice shall have been served on or prior to such time.
- (b) If any option notice shall have been served on or prior to the expiry of the SETC Call Option Period, the SETC Call Option Agreement shall terminate upon the fulfilment of the parties' obligations hereunder.
- (c) The SETC Call Option Agreement shall automatically terminate in the event that SETC enters into liquidation or compounds or makes any voluntary arrangement with its creditors or has a receiver, administrative receiver, administrator or other similar officer or encumbrancer appointed to it or over all or any part of its assets or takes or suffers any similar action in consequence of debt or [its liabilities including contingent liabilities exceed its assets or] becomes unable to pay its debts as and when they fall due.

#### **2.4 SLI Call and Put Option Agreement**

The salient terms of the SLI Call and Put Option Agreement, amongst others, are as follows:-

##### **2.4.1 SLI Call and Put Option**

- (a) The SLI Vendor hereby grants to SEHB the option to purchase and have a party nominated by SEHB purchase all (but not some only) of the SLI Vendor's option shares during the call option period, being the date of the SLI Call and Put Option Agreement to the day when the SLI Vendor ceases to be a shareholder of SLI ("**SLI Call Option Period**"), on the exercise of which, the SLI Vendor shall become bound to sell, SEHB shall become bound to complete the purchase and the party nominated by SEHB shall be bound to complete the transfer of all of the Option shares pursuant to the terms of the SLI Call and Put Option Agreement.
- (b) SEHB hereby grants to the SLI Vendor the option to require SEHB to purchase or have a party nominated by the SLI Vendor purchase all (but not some only) of the SEHB's option shares during the put option period, being the period commencing from the date immediately after the twelve (12) months' period succeeding the date of this SLI Call and Put Option Agreement and expiring on the day when the SLI Vendor ceases to be a shareholder of SLI ("**SLI Put Option Period**"), on the exercise of which, SEHB shall become bound to purchase and the SLI Vendor will become bound to complete the sale by the SLI Vendor and the party nominated by the SLI Vendor shall be bound to complete the transfer of all of the Option shares pursuant to the terms of the SLI Call and Put Option Agreement.
- (c) Neither the SLI Vendor nor SEHB shall be obliged to complete the sale and purchase as well as the transfer of the option shares unless the sale and purchase as well as the transfer of all the option shares is completed simultaneously, but completion of the sale and purchase as well as the transfer of some of the option shares will not affect the rights of the SLI Vendor or SEHB with respect to the others.
- (d) All voting and other rights attached to the option shares shall accrue to SEHB on the exercise date and, following that time, the SLI Vendor shall exercise all voting and other rights at the direction of SEHB.
- (e) If so required, SEHB shall first procure for the requisite approval from its shareholders prior to SEHB issuing the option notice to the SLI Vendor.

##### **2.3.3 Transfer Price**

If the transfer price, being the total value of the option shares, derived and calculated by the auditor based on six (6) times of SLI's EBITDA less indebtedness of SLI including inter-company debts plus net cash of SLI of the latest monthly management accounts as approved by the board of directors of SETC for the twelve (12) months rolling period prior to the exercise date ("**SLI Option Transfer Price**"), or any part thereof is not paid on the date herein fixed for completion for the sale and purchase of the option shares (otherwise than as a result of the default of the SLI Vendor), the unpaid sum will carry interest calculated based on a daily rest basis at a rate of 8% per annum from the due date to the date of actual payment (both dates inclusive).

#### **2.3.4 Conditions Precedent**

The obligation of the parties hereto to proceed with completion of the sale and purchase of the option shares is conditional upon satisfaction of the following conditions:

- (a) All approvals from governmental authorities necessary for the completion of the sale and purchase of the option shares shall have been obtained, including the approval of the Indonesian Investment Coordinating Board (Badan Koordinasi Penanaman Modal or BKPM) in connection with the change of shareholding of SLI;
- (b) All approvals from third parties necessary for the completion of the sale and purchase of the option shares shall have been obtained, including, in case of the SLI Vendor, approval from her spouse for the sale as well as the transfer of the SLI shares;
- (c) SLI shall have (i) convened a general meeting of shareholders of SLI, either by physical meeting or circular, at which the shareholders of SLI shall pass resolutions (inter alia) to approve the sale and transfer by the SLI Vendor to SEHB and a party nominated by SEHB of the option shares in accordance with the requirements of the Articles and the Act and (ii) delivered such shareholders resolutions restated in notarial deed form; and
- (d) There shall not be in effect any order issued or decree entered by a governmental authority, nor any law enacted, promulgated, entered or enforced, that enjoins, restrains or otherwise prohibits completion for the sale and purchase of the option shares.

#### **2.3.5 Duration of obligation**

- (a) The SLI Call and Put Option Agreement shall terminate on the SLI Call Option Period and SLI Put Option Period, if no option notice shall have been served on or prior to such time.
- (b) If any option notice shall have been served on or prior to the expiry of the SLI Put Option Period, the SLI Call and Put Option Agreement shall terminate upon the fulfilment of the parties' obligations hereunder.
- (c) The SLI Call and Put Option Agreement shall automatically terminate in the event that SLI enters into liquidation or compounds or makes any voluntary arrangement with its creditors or has a receiver, administrative receiver, administrator or other similar officer or encumbrancer appointed to it or over all or any part of its assets or takes or suffers any similar action in consequence of debt or [its liabilities including contingent liabilities exceed its assets or] becomes unable to pay its debts as and when they fall due.

### **2.5 SLI SHA**

The salient terms of the SLI SHA, amongst others, are as follows:-

#### **2.5.1 Share capital and increase in share capital**

- (a) The current shareholding structure of SLI is as follows:

Shareholders	Ordinary Shares held in the Company	Shareholding in the Company
SEHB	80,000	80%
SLI Vendor	20,000	20%
<b>Total</b>	<b>100,000</b>	<b>100%</b>

- (b) No new shares may be issued without the majority approval of the shareholders obtained at a general meeting. The SLI shareholders agree to exercise their voting rights for the time being and to ensure that any new shares will, before issue, be offered for subscription to existing SLI shareholders in proportion to the existing percentage of their shareholdings ("**SLI Relevant Proportion**") in SLI. If an existing SLI shareholder rejects the offer, or accepts a lesser number of new shares of its pro-rata entitlement in relation to any new shares to be issued as aforesaid, then such unaccepted new shares shall thereafter be offered to the other SLI shareholders. Any such new shares not eventually accepted by any of the SLI shareholders may be disposed of by the Directors of SLI in such manner as they think most beneficial to SLI or the Directors of SLI may choose not to issue such new shares.
- (c) In the event that a third party becomes a shareholder of SLI, the third party shall execute a deed of adherence under which such party shall agree to be bound and shall be entitled to the benefit of the SLI SHA as though such party were an original shareholder of SLI.

## 2.5.2 Pre-emptive rights

- (a) The SLI Vendor shall not sell, dispose or transfer (including any assignment, charge, mortgage, pledge or any act or disposition which may vest any rights in or over the SLI shares to any other party) any of its SLI shares unless and until the rights of pre-emption as conferred to SEHB shall have been exhausted.
- (b) If SLI Vendor desires to sell and transfer all of her shares, she shall notify SLI in writing of her intentions via a transfer notice and upon receipt of the transfer notice by SLI, SLI shall promptly offer to SEHB in writing all the shares in SLI held by SLI Vendor. SEHB shall within fourteen (14) days of the date of despatch of the notice intimate in writing whether or not the offer is accepted by it, failing which the offer shall be deemed to have lapsed. SEHB shall accept all and not part of the sale shares which are offered to SEHB. For sake of clarity, the acceptance of offer by SEHB may be conditional and be subjected to SEHB's shareholders approval or any relevant regulatory approvals, if so required ("**SEHB's Approvals**"). In such a circumstance, SEHB shall procure such relevant approvals within a period of sixty (60) days from SEHB's acceptance of offer or such other further extension of time as may be agreed by the SLI Shareholders ("**SEHB's Approval Period**").
- (c) If the sale shares are not accepted by SEHB within the SLI Offer Period or the SEHB's Approval Period, as the case may be, then the SLI Vendor shall be entitled for a period of forty five (45) days after the expiry of the SLI's offer period to sell and transfer the sale shares to any bona fide third party at a price not less than the offer price for the sale shares ("**SLI Offer Price**") and on terms not more favourable.

The SLI Vendor shall procure that upon transfer of the sale shares, any directors of SLI nominated by the SLI Vendor to the Board of Directors [and the Board of Commissioners] pursuant to the SLI SHA shall immediately resign without any claims or recourse against SLI.

It shall be the condition of the transfer of any SLI share that prior to the delivery and registration of such transfer, the transferee thereof (if not a party to the SLI SHA) shall execute a deed of adherence under which such party shall agree to be bound and shall be entitled to the benefit of the SLI SHA as though such transferee were an original shareholder of SLI.

For avoidance of doubt, SEHB shall not confer the rights of pre-emption upon the SLI Vendor in the event SEHB intends to sell, dispose or transfer (including any assignment, charge, mortgage, pledge or any act or disposition which may vest any rights in or over the SLI Shares to any other party) any of its SLI shares to any third party. Subject to SEHB first procuring SEHB's Approvals, if applicable, SEHB shall be entitled to sell, dispose or transfer (including any assignment, charge, mortgage, pledge or any act or disposition which may vest any rights in or over the SLI shares to any other party) any of its SLI shares to any other third party in accordance with the terms and conditions of the SLI SHA.

### 2.5.3 Tag Along

- (a) If SEHB, holding SLI shares equivalent to not less than sixty per cent (60%) of the total issued and paid up share capital of SLI wishes to sell or transfer all or any of its SLI shares to any person nominated by SEHB (the "**SLI Third Party Purchaser**") pursuant to a bona fide arm's length transaction (the "**SLI Offer**"), the SLI Vendor shall have the right to require the sale or transfer of all or any of its SLI Shares together with the sale of SEHB's SLI shares to the SLI Third Party Purchaser under the same terms and conditions offered to SEHB ("**SLI Tag Along Rights**").
- (b) In the event the SLI Vendor fails to receive the selling notice from SEHB or that the SLI Third Party Purchaser fails to purchase the SLI Vendor's SLI shares, the board of directors of SLI shall not effect any sale and transfer of SEHB's SLI shares to any third party.

### 2.5.4 Drag Along

- (a) If SEHB holding SLI shares equivalent to not less than sixty per cent (60%) of the total issued and paid up share capital of SLI wishes to make a SLI Offer, SEHB shall have the right (the "**SLI Drag Along Right**") to require the other SLI Shareholder (the "**SLI Called Shareholder**") to sell and transfer all or part of their SLI Shares (the "**SLI Called Shares**") to the SLI Third Party Purchaser if SEHB accept in writing the SLI Offer and terms set out in the SLI Drag Along notice.

### 2.5.5 Board of directors

The total number of directors in SLI and its structure shall be as follows:-

- (a) the number of directors of SLI shall be not more than five (5).
- (b) SEHB shall have the right to nominate up to four (4) nominees as directors of SLI ("**SEHB Director Nominee(s)**") and to request for the removal and substitution of any SLI Director Nominee(s) so appointed.
- (c) The SLI Vendor shall have the right to nominate one (1) nominee as director of SLI ("**SLI Vendor Director Nominee(s)**") and to request for the removal and substitution of any SLI Vendor Director Nominee(s) so appointed.

### 2.6 SEIP Call Option Agreement

The salient terms of the SEIP Call Option Agreement, amongst others, are as follows:-

### **2.6.1 SEIP Call Option**

- (a) In consideration of SEHB paying to each of the SEIP Vendors the sum of Fifty Pesos (50.00 PHP) (receipt of which is hereby acknowledged), each of the SEIP Vendors hereby grants to SEHB the option to purchase all (but not some only) of each SEIP Vendors' option shares during the call option period, being the period commencing from the date of the SEIP Call Option Agreement and expiring on the day when, all of the SEIP Vendors or the last person of the SEIP Vendors (as the case may be), ceases to be a shareholder of SEIP ("**SEIP Call Option Period**"), on the exercise of which, the SEIP Vendors shall become bound to sell and SEHB shall become bound to complete the purchase of all of the option shares on the terms and conditions as stipulated in the SEIP Call Option Agreement.
- (b) Neither the SEIP Vendors nor SEHB shall be obliged to complete the sale and purchase of the option shares unless the sale and purchase of all the option shares is completed simultaneously, but completion of the sale and purchase of some of the option shares will not affect the rights of the SEIP Vendors or SEHB with respect to the others.
- (c) All voting and other rights attached to the option shares shall accrue to SEHB on the exercise date and, following that time, the SEIP Vendors shall exercise all voting and other rights at the direction of the SEHB.
- (d) If so required, SEHB shall first procure for the requisite approval from its shareholders prior to issuing the option notice to the SEIP Vendors.

### **2.6.2 Transfer Price**

If the transfer price, being the sum of One Hundred Pesos (PHP100.00) per SEIP share ("**SEIP Option Transfer Price**"), or any part thereof is not paid on the date herein fixed for completion of the sale and purchase of the option share (otherwise than as a result of the default of the SEIP Vendors), the unpaid sum will carry interest calculated based on a daily rest basis at a rate of 8% per annum from the due date to the date of actual payment (both dates inclusive).

### **2.6.3 Duration of obligation**

- (a) The SEIP Call Option Agreement shall terminate on the expiry of the SEIP Call Option Period, if no option notice shall have been served on or prior to such time.
- (b) If any option notice shall have been served on or prior to the expiry of the SEIP Call Option, the SEIP Call Option Agreement shall terminate upon the fulfilment of the parties' obligations hereunder.
- (c) The SEIP Call Option Agreement shall automatically terminate in the event that SEIP enters into liquidation or compounds or makes any voluntary arrangement with its creditors or has a receiver, administrative receiver, administrator or other similar officer or encumbrancer appointed to it or over all or any part of its assets or takes or suffers any similar action in consequence of debt or [its liabilities including contingent liabilities exceed its assets or] becomes unable to pay its debts as and when they fall due.

### **2.7 SEIP Trust Deed**

The salient terms of the SEIP Trust Deed, amongst others, are as follows:-

- 2.7.1 In consideration of the sum of One Hundred Pesos (PHP100) now paid by SEHB to the SEIP Vendors respectively, the SEIP Vendors:-
- (a) declare that the said remaining SEIP shares and all dividends and interests accrued or to accrue upon the same are held by the SEIP Vendors upon trust for SEHB, its assignees and its successors in title and interests and the SEIP Vendors jointly and severally agree to transfer and pay and deal with the said shares and dividends and interests payable in respect of the same in such manner as SEHB or its successors in title shall from time to time direct.
  - (b) agree and undertake that they shall not dispose, transfer, assign, pledge or in any way deal with the said shares or any part thereof and/or any interests deriving therefrom save and except in accordance with the prior directions of SEHB and in accordance with the terms of the SEIP Trust Deed.
  - (c) agree and undertake that they shall not dispose, transfer, assign, pledge or in any way deal with the said shares or any part thereof and/or any interests deriving therefrom save and except in accordance with the prior directions of SEHB and in accordance with the terms of the SEIP Trust Deed.
  - (d) covenant, undertake and confirm that as registered holder of the said shares they shall duly comply with all the covenants and obligations as set out in the SEIP Trust Deed, from the date of the SEIP Trust Deed until such date as SEHB shall determine.
  - (e) shall respectively deliver to SEHB all the share certificates to the said shares together with a duly executed but undated transfer by the SEIP Vendors with the name of the transferee left blank and SEHB shall be entitled to take possession thereof at all times to give effect to the terms and conditions of the SEIP Trust Deed and in particular to utilise the same without reference to any of the SEIP Vendors to effect the transfer thereof to anyone it may so nominate simultaneously upon the execution of the SEIP Trust Deed.
  - (f) shall apply for a split of any of the original share certificates in respect of the said shares into several certificates in such denominations as SEHB may direct and shall if requested by SEHB execute further transfers in respect of such split certificates.

### **3. RATIONALE**

The Proposed Option Arrangement provides an opportunity for the Company to own 100% equity interest in the remaining non wholly-owned subsidiaries at a pre-determined price/basis in the future.

### **4. SOURCE OF FUNDS**

The consideration for the options will be satisfied via internally generated funds. The transfer prices pursuant to the option agreements are expected to be funded via internally generated funds and/or bank borrowings. The Company will determine the breakdown of the source of funds upon exercising the options.

### **5. FINANCIAL EFFECTS**

#### **5.1 Share Capital**

The Proposed Option Arrangement will not have any effect on the share capital of the Company.

## 5.2 Earnings/ Earnings per share

The Proposed Option Arrangement will not have any effect on the earnings or earnings per share of SEHB and its subsidiaries ("**SEHB Group**") for the financial year ending 31 March 2016.

## 5.3 Substantial shareholders' shareholdings

The Proposed Option Arrangement will not have any effect on the substantial shareholders' shareholdings of the SEHB Group.

## 5.4 Net assets and gearing

The Proposed Option Arrangement will not have any effect on net assets and gearing of the SEHB Group.

## 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The SEPSB Call Option Agreement, SEPSB SHA, SEIP Call Option Agreement and SEIP Trust Deed ("**SEPSB and SEIP Agreements**") are deemed to be a related party transaction under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") due to the interests of certain directors and major shareholders of SEHB. Save as disclosed below, none of the directors and/or major shareholders of the Company and/or persons connected with them have any interests, direct and/or indirect, in the SEPSB and SEIP Agreements.

Goh Jui Leang ("**GJL**") is the Group Managing Director/Group Chief Executive Officer of SEHB and also a major shareholder of SEHB. He is also a shareholder of SEIP. He is a brother of Goh Joi Sang ("**GJS**") and Goh Jooi Chong ("**GJC**").

GJS is a Non-Independent Executive Director of SEHB. He is also a major shareholder of SEHB and also a shareholder of SEIP. He is a brother of GJL and GJC.

GJC is a Non-Independent Executive Director of SEHB and also a major shareholder of SEPSB. He is a brother of GJS and GJL.

Accordingly, GJL, GJS and GJC ("**Interested Directors**") are deemed interested in the Interested Agreements. Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the Board meetings of SEHB in respect of the SEPSB and SEIP Agreements.

## 7. APPROVALS REQUIRED

The Proposed Option Arrangement is not subject to the approval of SEHB shareholders. In the event the Board and Audit Committee decide to exercise the options in the future, shareholders approval will be sought, if required.

The Proposed Option Arrangement is not conditional upon any other proposals.

The highest percentage ratio applicable to the Proposed Option Arrangement pursuant to Listing Requirements is below 0.25%.

## 8. BOARD AND AUDIT COMMITTEE'S STATEMENT

After taking into consideration all aspect of the Proposed Option Arrangement, the Board and the audit committee of SEHB (save for the Interested Directors in respect of the SEPSB and SEIP Agreements) is of the opinion that the Proposed Option Arrangement is:-

- (a) in the best interests of the SEHB Group;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interests of the minority shareholders of SEHB, on the basis that the Proposed Option Arrangement is an arm's length transaction between knowledgeable parties.

#### **9. ESTIMATED TIME FRAME FOR COMPLETION**

The Proposed Option Arrangement is completed upon signing of all the agreements.

#### **10. DOCUMENTS FOR INSPECTION**

The following documents is available for inspection at the corporate office of SEHB at Lot 9, Jalan E1/1, Kawasan Perusahaan Taman Ehsan Kepong, 52100 Kuala Lumpur during normal business hours from Mondays to Fridays (except public Holidays) for a period of three (3) months from the date of this Announcement:-

- (a) SEPSB Call Option Agreement;
- (b) SEPSB SHA;
- (c) SETC Call Option Agreement;
- (d) SLI Call and Put Option Agreement;
- (e) SLI SHA;
- (f) SEIP Call Option Agreement; and
- (g) SEIP Trust Deed.