

THIS OFFER 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 this Offer (as defined herein).

If you have sold or transferred all of your shares in Shell Refining Company (Federation of Malaya) Berhad, you should hand this Offer Document and the accompanying Form of Acceptance and Transfer immediately to the person through whom you have effected the sale or transfer for transmission to the purchaser or transferee.

The Securities Commission Malaysia (“SC”) has notified that it has no further comments to the contents of this Offer Document pursuant to Paragraph 11.02(3), Part C of the Rules on Take-Overs, Mergers and Compulsory Acquisitions (and includes any amendment from time to time) (“Rules”). However, such notification shall not be taken to suggest that the SC recommends the Offer or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Offer Document. The SC takes no responsibility for the contents of this Offer Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document.

UNCONDITIONAL TAKE-OVER OFFER

BY

MALAYSIA HENGYUAN INTERNATIONAL LIMITED

(Company No. LL12508)

(Incorporated in Malaysia under the Labuan Companies Act, 1990)

(“OFFEROR”)

THROUGH



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

TO ACQUIRE ALL THE REMAINING ORDINARY SHARES OF RM1.00 EACH IN SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD NOT ALREADY OWNED BY THE OFFEROR AND PERSONS ACTING IN CONCERT WITH IT (“OFFER SHARES”) FOR A CASH OFFER PRICE OF RM1.92 PER OFFER SHARE (“OFFER”)

Acceptances must be received by **5.00 p.m. (Malaysian Standard Time) on 31 January 2017**, being the first closing date of the Offer (“**First Closing Date**”) or such later date(s) as the Offeror may decide and to be announced by RHB Investment Bank Berhad, on behalf of the Offeror, at least 2 days before the Closing Date (as defined herein). Subject to the provisions of the Rules, the Offeror may extend the date and time for the acceptance of the Offer beyond the First Closing Date.

The procedures for acceptance are set out in **Appendix II** of this Offer Document. The Form of Acceptance and Transfer is enclosed with this Offer Document.

This Offer Document is dated 9 January 2017

DEFINITIONS

The following definitions shall apply throughout this Offer Document and the accompanying Form of Acceptance and Transfer except where the context otherwise requires or where otherwise defined herein:

Accepting Holder(s)	: Holder(s) who accept the Offer
Acquisition	: Acquisition of 153,000,000 SRC Shares, representing 51.00% of the voting shares of SRC by MHIL from SOHL at the Purchase Consideration via direct business transaction, which was completed on 22 December 2016
Act	: Companies Act, 1965
ADA	: Authorised Depository Agent as defined in the Rules of Bursa Depository
ADM	: Authorised Direct Member as defined in the Rules of Bursa Depository
ARTB	: AmanahRaya Trustees Berhad (766894-T), a nominee for Skim Amanah Saham Bumiputera
Board	: Board of Directors
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Depository Transfer Form	: Bursa Depository Transfer of Securities Request Form (FTF010)
Bursa LINK	: Bursa Securities' Listing Information Network, an electronic platform for submission of all announcements made by listed issuers on Bursa Securities
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CDS	: Central Depository System
Closing Date	: First Closing Date or such later date(s) in the event the Offer is revised or extended in accordance with the provisions of the Rules or as the Offeror may decide and to be announced by RHB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date
CMSA	: Capital Markets and Services Act, 2007
Dissenting Shareholder(s)	: Any Holder who does not accept the Offer and/or any Holder who has failed or refused to transfer the Offer Shares to the Offeror in accordance with the terms and conditions of this Offer Document
Distributions	: Dividend and/or other distributions
EPF	: Employees Provident Fund Board
EPS/ (LPS)	: Earnings/ (Loss) per share
First Closing Date	: 5.00 p.m. (Malaysian Standard Time) on 31 January 2017, being 21 days from the Posting Date. For the avoidance of doubt, as the 21 st day from the Posting Date falls on Monday, 30 January 2017 which is not a Market Day, such period is extended until the next Market Day pursuant to Paragraph 2.02, Part A of the Rules

DEFINITIONS (Cont'd)

Form of Acceptance and Transfer	: Form of acceptance and transfer for the Offer Shares, enclosed with this Offer Document
FPE	: Financial period ended
FYE	: Financial year ended
Holder(s)	: Holder(s) of the Offer Shares
HYHL	: Heng Yuan Holdings Limited 恒源控股有限公司 (1801608)
Independent Advice Circular	: The independent advice circular which contains the recommendations from the Independent Adviser for the Offer
Independent Adviser	: AmlInvestment Bank Berhad (23742-V), the independent adviser appointed by the Board of SRC in accordance with the provisions of the Rules
LCLPCL	: Linyi County Linhai Petrochemical Company Limited 临邑县临海石化有限责任公司 (913714241676524300)
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 3 January 2017, being the latest practicable date which is not more than 7 days before the Posting Date
Market Day(s)	: Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for trading of securities
MHIL or Offeror	: Malaysia Hengyuan International Limited 马来西亚恒源国际有限公司 (LL12508), a wholly-owned subsidiary of HYHL, which in turn is a wholly-owned subsidiary of SHPCL
NA	: Net assets
Non-Resident Holder(s)	: Holder(s) (including without limitation, custodians, nominees and trustees) who are citizens or nationals of, or residents in, or have registered addresses in jurisdictions outside Malaysia, or are incorporated or registered with or approved by any authority outside Malaysia
Notice	: Notice of the Offer dated 19 December 2016, served on the Board of SRC by RHB Investment Bank on behalf of the Offeror
Offer	: Unconditional take-over offer by MHIL, through RHB Investment Bank to acquire the Offer Shares for a cash offer price of RM1.92 per Offer Share, in accordance with the terms and conditions set out in this Offer Document
Offer Document	: This document dated 9 January 2017 which sets out the details and terms and conditions of the Offer together with the Form of Acceptance and Transfer enclosed herewith
Offer Period	: Period commencing from 1 February 2016, being the date of the signing of the SPA until (i) the Closing Date; or (ii) the date on which the Offer lapses, expires or is withdrawn with the prior written consent of the SC, whichever is earlier

DEFINITIONS (Cont'd)

Offer Price	: Cash offer price of RM1.92 (being the RM equivalent of the Purchase Consideration per SRC Share based on the foreign exchange rate of USD1.00: RM4.4310 as at 19 December 2016) per Offer Share
Offer Share(s)	: SRC Share(s) which are the subject of the Offer, comprising the remaining 147,000,000 SRC Shares, representing 49.00% equity interest in SRC not already owned by the Offeror and its PACs
Official List	: A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PACs	: Persons acting in concert with MHIL for the purpose of this Offer pursuant to Section 216 of the CMSA as set out in Section 1.5 of this Offer Document
PB	: Price-to-book
Posting Date	: 9 January 2017, being the date of posting of this Offer Document
Purchase Consideration	: Cash consideration of USD66,300,000 or USD0.43 per SRC Share (for illustration purposes, the total cash consideration is equivalent to RM274,979,250 or RM1.80 per SRC Share based on the Bank Negara Malaysia's middle exchange rate of USD1.00:RM4.1475 as at 29 January 2016, being the last full trading day prior to the signing of the SPA) The SPA became unconditional on 19 December 2016 and the Acquisition was subsequently completed on 22 December 2016 at the Purchase Consideration of USD66,300,000 or USD0.43 per SRC Share (equivalent to RM293,760,000 or RM1.92 per SRC Share based on the bank's over-the-counter rate of USD1.00: RM4.4310 as at 19 December 2016, being the date the direct business transaction was effected)
Registrar	: Symphony Share Registrars Sdn Bhd (378993-D), to whom acceptances of the Offer should be forwarded, and whose address and contact numbers are set out in Appendix II of this Offer Document
Relevant Day	: Market day following the day on which the Offer is closed, revised or extended, as the case may be
Restricted Jurisdiction	: Any jurisdiction where the extension or acceptance of the Offer or where the sending or making available information concerning the Offer to Holders in such jurisdiction would or might be in contravention of local laws or regulations in that jurisdiction
RHB Investment Bank	: RHB Investment Bank Berhad (19663-P), the principal adviser to MHIL for the implementation of the Offer
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions
Rules of Bursa Depository	: Rules of Bursa Depository as issued under the SICDA
SC	: Securities Commission Malaysia
SHPCL or Ultimate Offeror	: Shandong Hengyuan Petrochemical Company Limited 山东恒源石油化工股份有限公司 (913700001676531851)

DEFINITIONS (Cont'd)

SHPGCL	:	Shandong Hengyuan Petrochemical Group Company Limited 山东恒源石油化工集团有限公司 (91371424167653599Y)
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SLCL	:	Shandong Linyi County Linoleum 山东省临邑县油毡厂 (9137142472622760XA)
SLCPF	:	Shandong Linyi County Petrochemical Factory 山东省临邑县石油化 工厂 (913714246996882668)
SOHL or Vendor	:	Shell Overseas Holdings Limited (00596107)
SPA	:	Conditional sale and purchase agreement dated 1 February 2016 that was entered into between MHIL and SOHL in relation to the Acquisition
SRC or Offeree	:	Shell Refining Company (Federation of Malaya) Berhad (3926-U)
SRC Share(s)	:	Ordinary shares of RM1.00 each in SRC
VWAMP	:	Volume-weighted average market price

Currencies

CNY	:	Chinese Yuan
HKD	:	Hong Kong Dollar
RM and sen	:	Ringgit Malaysia and sen respectively
USD	:	United States Dollar

All references to “**you**” or “**Holder**” in this Offer Document are to the holders of the Offer Shares, being the person to whom this Offer is being made.

All references to “**we**”, “**us**” and “**our**” in this Offer Document are to RHB Investment Bank, being the party through which the Offeror is making the Offer.

Unless specifically referred to, 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/or neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Sections referred to in the main letter shall be referenced to sections in the main letter of this Offer Document and any reference to appendices shall be to the appendices contained within this Offer Document, unless explicitly specified.

Any reference herein to any enactment is a reference to that enactment and as may be amended and/or re-enacted from time to time.

Any reference to a time of day and date herein shall be a reference to Malaysian Standard Time and date, unless otherwise stated.

Any discrepancy in the figures included herein between the amounts stated, actual figures and the totals thereof are due to rounding.

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9 January 2017

Registered office of
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87000 Labuan F.T.
Malaysia

Registered office of
RHB Investment Bank Berhad
Level 9, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

To: The Holders

Dear Sir/Madam,

UNCONDITIONAL TAKE-OVER OFFER BY MHIL, THROUGH RHB INVESTMENT BANK, TO ACQUIRE ALL THE OFFER SHARES FOR A CASH OFFER PRICE OF RM1.92 PER OFFER SHARE

1. INTRODUCTION

- 1.1 On 1 February 2016, MHIL, a wholly-owned subsidiary of HYHL, which in turn is a wholly-owned subsidiary of SHPCL, had entered into the SPA to acquire 153,000,000 SRC Shares, representing 51.00% of the voting shares of SRC from the Vendor, for a total cash consideration of USD66,300,000 or USD0.43 per SRC Share (for illustration purposes, the total cash consideration is equivalent to RM274,979,250 or RM1.80 per SRC Share based on the Bank Negara Malaysia's middle exchange rate of USD1.00:RM4.1475 as at 29 January 2016, being the last full trading day prior to the signing of the SPA).
- 1.2 On 19 December 2016, the SPA had become unconditional. The Acquisition was effected via direct business transaction at the Purchase Consideration of USD66,300,000 or USD0.43 per SRC Share (for illustration purposes, the total cash consideration is equivalent to RM293,760,000 or RM1.92 per SRC Share based on the bank's over-the-counter rate of USD1.00:RM4.4310 as at 19 December 2016, being the date the direct business transaction was effected) and was completed on 22 December 2016. Following the completion of the Acquisition, the Offeror's interest in SRC had increased from nil to 51.00%.
- 1.3 Pursuant to Section 218(2) of the CMSA and Paragraph 4.01, Part B of the Rules, MHIL is obliged to extend a mandatory take-over offer to acquire all the Offer Shares at the Offer Price.
- 1.4 In accordance with Paragraph 9.10(1)(b)(i), Part C of the Rules, on 19 December 2016, RHB Investment Bank, on behalf of the Offeror, served the Notice on the Board of SRC.

- 1.5 The PACs with MHIL are as follows:
- (i) HYHL, being the holding company of MHIL;
 - (ii) SHPCL, which is the Ultimate Offeror, holds 100.00% of the voting shares of HYHL which is the holding company of MHIL;
 - (iii) LCLPCL, a 62.50%-owned subsidiary of SHPGCL and an associate of SHPCL, holds 18.64% of the voting shares of SHPCL which indirectly holds 100.00% of the voting shares of MHIL;
 - (iv) SLCL, a wholly-owned subsidiary of SHPGCL, holds 2.88% of the voting shares of SHPCL which indirectly holds 100.00% of the voting shares of MHIL;
 - (v) SLCPF, a wholly-owned subsidiary of SHPGCL, holds 50.57% of the voting shares of SHPCL which indirectly holds 100.00% of the voting shares of MHIL; and
 - (vi) SHPGCL, being the ultimate holding company of MHIL.
- 1.6 As at the LPD, the Offeror and its PACs have not received any irrevocable undertaking from any Holder to accept the Offer.
- 1.7 On 24 November 2016, SRC announced the appointment of AmInvestment Bank Berhad as the Independent Adviser for the Offer.
- 1.8 The SC, via its letter dated 6 January 2017, has notified that it has no further comments to the contents of this Offer Document under Paragraph 11.02(3), Part C of the Rules. Such notification shall not be taken to suggest that the SC recommends the Offer or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Offer Document.
- 1.9 The timeline for the Offer is as follows:

Event	Date
Posting of this Offer Document	9 January 2017
Last day for SRC to issue the Independent Advice Circular	19 January 2017
First Closing Date ⁽¹⁾	31 January 2017

Note:

- (1) *The Offer will remain open for acceptances until 5.00 p.m. on the First Closing Date unless extended or revised in accordance with the provisions of the Rules or as the Offeror may decide and to be announced by RHB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date. Notices of such extension will be posted to the Holders accordingly.*

The purpose of this Offer Document is to extend a formal unconditional take-over offer by the Offeror, through RHB Investment Bank, to acquire your Offer Shares. The Offer is made in respect of all of your Offer Shares subject to the terms and conditions as set out in this Offer Document.

You are advised to read carefully this Offer Document and the Independent Advice Circular (which will be despatched to you within 10 days from the date of this Offer Document). You should consider the recommendations of the Independent Adviser carefully before making your decision.

You should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if you have any doubt about the Offer.

If you wish to accept the Offer, please complete and sign the accompanying Form of Acceptance and Transfer according to the instructions contained therein. Please refer to Appendix II of this Offer Document for details on the procedures for acceptance and method of settlement of the Offer. Special instructions for Non-Resident Holders on accepting the Offer are set out in Section 3 of Appendix II of this Offer Document.

You do not need to take any action if you decide not to accept the Offer.

2. SALIENT TERMS AND CONDITIONS OF THE OFFER

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

2.1 Consideration for the Offer

The consideration for the Offer is **RM1.92** per Offer Share and shall be satisfied in cash.

If SRC declares, makes and/or pays any Distribution to its shareholders whereby the entitlement date for such Distribution is on or after the date of the Notice but before the Closing Date, MHIL will reduce the consideration for each Offer Share by the amount equivalent to the net Distribution per SRC Share which such shareholder is entitled to retain. For the avoidance of doubt, no adjustment shall be made to the Offer Price in the event the entitlement date for any Distribution is after the Closing Date.

As at the LPD, SRC has not declared, made or paid any Distribution on or after the announcement of the Acquisition.

The Holders may accept the Offer in respect of all or any part of their Offer Shares. The Offeror will not pay fractions of a sen, if any, to the Accepting Holders and entitlements to the cash payment will be rounded down to the nearest whole sen.

2.2 Conditions of the Offer

The Offer is not conditional upon any minimum level of acceptances of the Offer Shares as the Offeror holds in aggregate more than 50.00% of the voting shares of SRC as at the date of this Offer Document.

2.3 Duration of the Offer

The Offer shall remain open for acceptances until 5.00 p.m. on 31 January 2017, being the First Closing Date. However, the Offeror may extend or revise the date and time for the acceptance of the Offer beyond the First Closing Date in accordance with the provisions of the Rules. Any such extension will be announced by RHB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date and the Offer will remain open for acceptances for a period of at least 14 days from the date of posting of the written notification of the revision to the Holders. Notices of such extension will be posted to the Holders accordingly.

Please refer to **Section 2 of Appendix I** of this Offer Document for further information on the duration of the Offer.

2.4 Method of Settlement

The settlement of the consideration for the Offer will be effected via remittance in the form of cheque(s), banker's draft(s) or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at the Accepting Holders' registered Malaysian address last maintained with Bursa Depository in respect of valid acceptances, at their own risk within 10 days from the date of the valid acceptances.

Please refer to **Appendix I** of this Offer Document for the other terms and conditions of the Offer and **Appendix II** of this Offer Document for the procedures for acceptance and method of settlement of the consideration for the Offer.

3. RATIONALE FOR THE OFFER

MHIL recognises SRC's business as complementary to SHPCL's existing business portfolio given SHPCL develops, produces, processes and markets diesel oil, liquid gas, propylene, propane, polypropylene, tert-butyl alcohol, oil slurry, asphalt, tert-pentene, ethylbenzene, and other petroleum related products in the People's Republic of China, while SRC's operations involve refining and manufacturing of petroleum products, manufacturing lubricating oils and filling of liquefied petroleum gas into cylinders. SHPCL and SRC may realise synergy from collaboration in the future.

The Acquisition would enable SHPCL to further expand in the petrochemical supply chain, to increase its assets scale, to penetrate into the Malaysian market, and to establish a strategic presence in Southeast Asia. After completion of the Acquisition, SHPCL intends to expand, reconstruct and upgrade the existing facilities of SRC to meet the Euro 4 and Euro 5 fuel standards specification requirements. SHPCL is already producing and selling Euro 4 and Euro 5 fuel in the People's Republic of China and is familiar with such production technologies and know-how. In addition, SHPCL intends to implement different product mix based on market conditions and market prices of different products to enhance SRC's profitability and to strengthen SRC's position as a leading regional refinery products supplier. SRC will continue to be committed to the long-term and stable supply of refined products to Malaysia.

Following the completion of the Acquisition, MHIL's interest in SRC had increased from nil to 51.00%. As such, MHIL is obliged to undertake the Offer pursuant to Section 218(2) of the CMSA and Paragraph 4.01, Part B of the Rules.

4. FINANCIAL RESOURCES OF THE OFFEROR

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

Based on documentary evidence provided by the Offeror, RHB Investment Bank is satisfied that there are sufficient financial resources available to the Offeror such that the Offer would not fail due to insufficient financial capability of the Offeror and that every Holder who accepts the Offer will be paid full in cash.

5. LISTING STATUS OF THE OFFEREE, COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING SHAREHOLDERS

5.1 Listing status of the Offeree

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

A listed issuer which fails to maintain the required public shareholding spread may request for an extension of time to rectify the situation. Where no extension of time is granted by Bursa Securities, Bursa Securities may suspend trading in the securities of the listed issuer and/or de-list the listed issuer. However, the non-compliance of the public shareholding spread requirement would not automatically result in the de-listing of SRC from the Official List of Bursa Securities. The suspension will only be uplifted upon full compliance with the required public shareholding spread or as may be determined by Bursa Securities.

In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Rules, upon 90% or more of the listed shares (excluding treasury shares, if any) of the said listed issuer being held by a shareholder either individually or jointly with associates of the shareholder, an immediate announcement must be made by the listed issuer. Upon such immediate announcement, Bursa Securities shall:

- (i) in the case where the listed issuer does not intend to maintain the listing status, suspend the trading of the listed issuer's securities immediately upon the expiry of 5 Market Days from the date of the immediate announcement; or
- (ii) in the case where the listed issuer intends to maintain the listing status, suspend the trading in the listed issuer's securities immediately upon the expiry of 30 Market Days from the date of the immediate announcement.

It is the intention of the Offeror to maintain the listing status of SRC. In the event that the Offeror receives valid acceptances resulting in the Offeror and the persons acting in concert holding in aggregate 90% of the issued and paid-up share capital of SRC (excluding treasury shares), and SRC fails to comply with the public shareholding spread requirements under Paragraph 8.02(1) of the Listing Requirements, then upon expiry of 30 Market Days from the date of the immediate announcement by SRC, SRC Shares will be suspended from trading on Bursa Securities. The suspension will only be uplifted upon full compliance with the required public shareholding spread or as may be determined by Bursa Securities.

In the event that SRC fails to comply with the public shareholding spread requirements under Paragraph 8.02(1) of the Listing Requirements, the Offeror will explore various options or proposals within 3 months from the Closing Date or such extended timeframe as allowed by Bursa Securities to rectify the shortfall in the public shareholding spread of SRC. Under such circumstances, the Offeror will endeavour to place out a sufficient number of SRC Shares or procure SRC to carry out a subsequent corporate exercise in order to rectify the shortfall in the public shareholding spread of SRC. However, in the event SRC still fails to comply with the public shareholding spread of at least 25% after exhausting all possible options or proposals to rectify the shortfall in the public shareholding spread, SRC may consider applying to Bursa Securities for a lower percentage than 25% pursuant to Paragraph 8.02(1) of the Listing Requirements.

Notwithstanding that, the actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time. However, this shall be subject to market vagaries and relevant approval from regulatory authorities, where applicable. Therefore, there can be no assurance that SRC will be able to rectify the shortfall within the timeframe as allowed by Bursa Securities or that Bursa Securities will grant any further extension of time.

5.2 Compulsory acquisition

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

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

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

- (A) is issued within 2 months from the date of achieving the conditions under Sections 222(1)(a) and 222(1)(b) of the CMSA; and
- (B) is accompanied by a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

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

In the event the Offeror receives valid acceptances of nine-tenths (9/10) in the nominal value of the Offer Shares (excluding SRC Shares already held by the Offeror and its persons acting in concert at the date of the Offer), **the Offeror intends to invoke the provisions of Section 222(1) of the CMSA**, to compulsorily acquire any remaining Offer Share from the Dissenting Shareholders for which valid acceptances have not been received, following which necessary steps will also be taken to de-list SRC from the Official List of Bursa Securities. In such instance, all the Offer Shares that are compulsorily acquired will, subject to Section 224(1) of the CMSA, be acquired on the same terms as set out in this Offer Document and in accordance with Section 222(1) of the CMSA.

5.3 Rights of Dissenting Shareholders

Notwithstanding the above, if the Offeror receives valid acceptances from the Holders resulting in the Offeror and its persons acting in concert holding not less than nine-tenths (9/10) in the nominal value of the issued and paid-up share capital of SRC (including SRC Shares already held by the Offeror and its persons acting in concert) on or before the Closing Date, a Dissenting Shareholder may exercise his/her rights under Section 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her Offer Shares on the same terms as set out in this Offer Document or such other terms as may be agreed upon by the Offeror and the Dissenting Shareholder, subject to Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Shareholder exercises his/her rights under Section 223(1) of the CMSA, the court may, on an application made by such Dissenting Shareholder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Section 223(2) of the CMSA requires the Offeror to give the Dissenting Shareholders a notice in the manner prescribed under the Rules of the rights exercisable by the Dissenting Shareholders under Section 223(1) of the CMSA ("**Notice to Dissenting Shareholders**"), within 1 month of the time of the Offeror and its persons acting in concert have acquired not less than nine-tenths (9/10) in the nominal value of the issued and paid-up share capital of SRC.

A Notice to Dissenting Shareholders under Section 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Shareholders and in any event, such period shall not be less than 3 months after the Closing Date.

6. FUTURE PLANS FOR SRC AND ITS EMPLOYEES

The intention of the Offeror, as at the LPD, with respect to the businesses and employees of SRC after the Closing Date are set out below:

- (i) the Offeror does not have any plan to liquidate SRC and intends to continue with SRC's existing businesses and operations;
- (ii) the Offeror has no plans or intention to introduce or effect any major change in the business of SRC, or dispose or re-deploy the fixed assets of SRC, except where such change, disposal and/or redeployment is deemed necessary as part of the process to rationalise the business activities and/or directions of SRC or to improve utilisation of resources; and
- (iii) the Offeror does not have any plan to dismiss or make redundant any employee of SRC as a direct consequence of the Offer. However, change with regard to staff employment and/or redeployment of staff may take place as a result of the Offeror's subsequent review of SRC's employment structure, rationalisation of the structure or business activities and/or strategic direction to improve efficiency of the operations and optimise the human resources of SRC. Any such action taken will be dealt with in accordance with the relevant legislation and the terms of employment of the affected employees.

As at the LPD, the Offeror has no knowledge of and has not entered into any negotiation or arrangement or understanding with any third party with regard to any significant change in the businesses, assets and shareholding structure of SRC.

7. FINANCIAL CONSIDERATIONS OF THE OFFER

The Offer Price is equivalent to the Purchase Consideration adjusted for the exchange rate of USD1.00:RM4.4310 as at 19 December 2016, being the unconditional date of the SPA. Based on the latest available audited financial statements and unaudited results of SRC prior to the signing of the SPA, i.e. 1 February 2016, the Purchase Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

- (i) profit/ (loss) for the financial year of SRC and net earnings/ (loss) per SRC Share based on the audited financial statements for the FYEs 31 December 2011, 2012, 2013 and 2014 and the unaudited results for the 9-month FPE 30 September 2015, as illustrated in the table below:

	Audited for the FYE 31 December *				Unaudited for the
	2011	2012	2013	2014	9-month FPE 30 September 2015 *
Profit/ (loss) for the financial year (RM'000)	(125,744)	(94,660)	(155,983)	(1,188,768)	255,290 ^
Net earnings/ (loss) per SRC Share (RM)	(0.42)	(0.32)	(0.52)	(3.96)	0.85 ^

Notes:

* As at the date of the signing of the SPA, the latest available financial statements were the audited financial statements of SRC for the FYE 31 December 2014 and the unaudited results of SRC for the 9-month FPE 30 September 2015.

^ The improvements to the profits of SRC are mainly contributed by higher refining margins and the lower stockholding losses.

- (ii) audited consolidated NA of SRC and NA per SRC Share attributable to the owners of the Company based on the latest audited financial statements for the FYE 31 December 2014 and its latest unaudited financial results for the 9-month FPE 30 September 2015, as illustrated in the table below:

	Audited for the FYE 31 December 2014 *	Unaudited for the 9-month FPE 30 September 2015 *
NA (RM'000)	324,684	579,974
Number of SRC Shares in issue ('000)	300,000	300,000
NA per SRC Share (RM)	1.08	1.93
Offer Price as a premium/ (discount) to NA per SRC Share (%)	77.78%	(0.52%)

Note:

* As at the date of the signing of the SPA, the latest available financial statements were the audited financial statements of SRC for the FYE 31 December 2014 and the unaudited results of SRC for the 9-month FPE 30 September 2015.

The Offer Price represents an implied PB multiple of 0.99 times based on the unaudited NA of SRC as at 30 September 2015.

- (iii) high gearing position based on the latest audited financial statements for the FYE 31 December 2014 and its latest unaudited financial results for the 9-month FPE 30 September 2015, as illustrated in the table below:

	Audited for the FYE 31 December 2014 *	Unaudited for the 9-month FPE 30 September 2015 *
Borrowings (RM'000)	1,758,275	1,510,064
NA (RM'000)	324,684	579,974
Gearing (times)	5.42	2.60

Note:

- * *As at the date of the signing of the SPA, the latest available financial statements were the audited financial statements of SRC for the FYE 31 December 2014 and the unaudited results of SRC for the 9-month FPE 30 September 2015.*

The Offer Price represents the price paid by the Offeror per SRC Share for the Acquisition and is the highest price paid by the Offeror for the SRC Shares during the Offer Period and within 6 months prior to the beginning of the Offer Period in accordance with the provisions of Paragraph 6.03(1), Part B of the Rules. For illustration purposes, the Offer Price represents the following:

- (i) a discount to the following market prices of SRC Shares up to and including 29 January 2016, being the last trading day prior to the signing of the SPA:

	<u>Share price</u>	<u>(Discount)</u>	
	RM	RM	%
Last traded price of SRC Shares on 29 January 2016	4.94	(3.02)	(61.13)
5-day VWAMP of SRC Shares up to and including 29 January 2016	4.96	(3.04)	(61.29)
1-month VWAMP of SRC Shares up to and including 29 January 2016	5.61	(3.69)	(65.78)
3-month VWAMP of SRC Shares up to and including 29 January 2016	5.56	(3.64)	(65.47)
6-month VWAMP of SRC Shares up to and including 29 January 2016	5.53	(3.61)	(65.28)
12-month VWAMP of SRC Shares up to and including 29 January 2016	5.38	(3.46)	(64.31)

(Source: Bloomberg)

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- (ii) a discount to the following market prices of SRC Shares up to and including 16 December 2016, being the last trading day prior to the service of the Notice:

	Share price	(Discount)	
	RM	RM	%
Last traded price of SRC Shares on 16 December 2016	2.35	(0.43)	(18.30)
5-day VWAMP of SRC Shares up to and including 16 December 2016	2.33	(0.41)	(17.60)
1-month VWAMP of SRC Shares up to and including 16 December 2016	2.50	(0.58)	(23.20)
3-month VWAMP of SRC Shares up to and including 16 December 2016	2.66	(0.74)	(27.82)
6-month VWAMP of SRC Shares up to and including 16 December 2016	2.82	(0.90)	(31.91)
12-month VWAMP of SRC Shares up to and including 16 December 2016	3.66	(1.74)	(47.54)

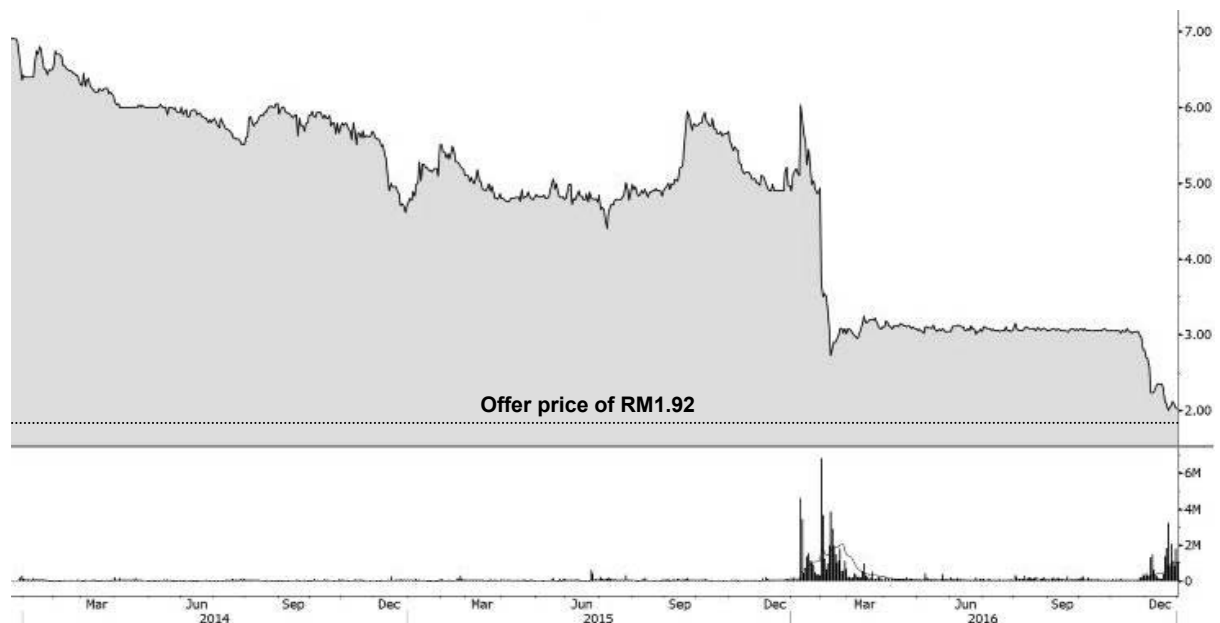
(Source: Bloomberg)

- (iii) a discount to the following market prices of SRC Shares up to and including the LPD:

	Share price	(Discount)	
	RM	RM	%
Last traded price of SRC Shares as at the LPD	2.02	(0.10)	(4.95)
5-day VWAMP of SRC Shares up to and including the LPD	2.08	(0.16)	(7.69)

(Source: Bloomberg)

The daily closing market prices of SRC Shares for the past 2 years up to and including the LPD are shown in the chart below:



(Source: Bloomberg)

Based on the above, the Offer Price is below the lowest closing market price of SRC Shares of RM2.00 for the past 2 years up to and including the LPD.

The historical monthly closing, high and low prices of SRC Shares as traded on the Main Market of Bursa Securities from August 2015 to January 2016, being the 6 months preceding the commencement of the Offer Period, and up to the LPD are as follows:

Month	High RM	Low RM	Closing price at end of the month RM
2015			
August	4.95	4.81	4.90
September	5.95	4.91	5.77
October	5.93	5.62	5.68
November	5.55	4.97	4.97
December	5.21	4.90	4.97
2016			
January	6.03	4.87	4.94
February	3.68	2.72	3.01
March	3.24	2.95	3.10
April	3.18	3.07	3.08
May	3.13	3.02	3.04
June	3.13	3.00	3.04
July	3.10	3.04	3.05
August	3.15	3.05	3.06
September	3.08	3.04	3.06
October	3.08	3.05	3.05
November	3.08	2.80	2.80
December	2.69	2.00	2.00

(Source: Bloomberg)

Further, during the 6 months preceding the commencement of the Offer Period and up to the LPD:

- (i) the highest closing price of SRC Shares was RM6.03, which was transacted on 12 January 2016; and
- (ii) the lowest closing price of SRC Shares was RM2.00, which was transacted on 22 December 2016.

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8. BRIEF INFORMATION ON THE OFFEROR, ULTIMATE OFFEROR AND OFFEREE

8.1 Offeror

MHIL was incorporated in Labuan, Malaysia on 23 December 2015 under the Labuan Companies Act, 1990 as a private company limited by shares. MHIL is wholly-owned by HYHL, which in turn is a wholly-owned subsidiary of SHPCL. It is principally an investment holding company.

Please refer to **Appendix III** of this Offer Document for further information on the Offeror.

8.2 Ultimate Offeror

SHPCL was incorporated in the People's Republic of China on 30 December 1997 under The Company Law of the People's Republic of China. SHPCL was founded in 1970 with the establishment of SLCPF and was initially involved in the manufacturing, processing, wholesaling, and retail of gasoline, diesel oil, linoleum, asphalt, and liquefied gas.

SHPCL is principally involved in manufacturing of petrochemicals. SHPCL develops, produces, processes and markets diesel oil, liquid gas, propylene, propane, polypropylene, tert-butyl alcohol, oil slurry, asphalt, tert-pentene, ethylbenzene, and other petroleum related products in Linyi County, Dezhou, Shandong Province, the People's Republic of China.

Please refer to **Appendix IV** of this Offer Document for further information on the Ultimate Offeror.

8.3 Offeree

SRC was incorporated in Malaysia on 19 September 1960 under the Act as a public company limited by shares. The company was listed on the Main Board of the then Kuala Lumpur Stock Exchange (*now known as the Main Market of Bursa Securities*) on 29 October 1962.

SRC is principally engaged in refining and manufacturing of petroleum products, manufacturing lubricating oils to required specifications and filling of liquefied petroleum gas into cylinders.

Please refer to **Appendix X** of this Offer Document for further information on SRC.

9. ADVISERS

The appointed advisers to MHIL are as follows:

- (i) RHB Investment Bank as the principal adviser to MHIL for the implementation of the Offer;
- (ii) Citigroup Global Markets Asia Limited as the financial adviser to MHIL for the Acquisition;
- (iii) Linklaters LLP as the international legal adviser to MHIL for the Acquisition; and
- (iv) Zul Rafique & Partners as the Malaysian legal adviser to MHIL for the Acquisition and Offer.

10. RESPONSIBILITY STATEMENT

The Board of the Offeror and the Ultimate Offeror have seen this Offer Document and have approved the issuance of this Offer Document. The Board of the Offeror and the Ultimate Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document and confirm that, after having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

Information relating to SRC contained in this Offer Document has been obtained from the Directors and/or management of SRC as well as from publicly available sources. Therefore, the responsibility of the Board of the Offeror and the Ultimate Offeror in respect of the information of SRC is limited to ensuring the accurate reproduction of such information in this Offer Document.

RHB Investment Bank acknowledges that based on all available information and to the best of our knowledge and belief, this Offer Document constitute a full and true disclosure of all material facts concerning the Offer.

11. FURTHER INFORMATION

For further information, please refer to the attached appendices which form part of this Offer Document.

IF YOU INTEND TO ACCEPT THE OFFER, YOU SHOULD COMPLETE AND SIGN THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER ACCORDING TO THE INSTRUCTIONS CONTAINED THEREIN.

YOU DO NOT NEED TO TAKE ANY ACTION IF YOU DECIDE NOT TO ACCEPT THE OFFER.

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

JAIMIE SIA
Executive Director
Head, Capital Markets

TOMMY HAR
Director
Co-Head, Corporate Finance

OTHER TERMS AND CONDITIONS OF THE OFFER

1. WARRANTIES

The Offer Shares are to be acquired on the basis that an acceptance of the Offer by a Holder is made in accordance with the provisions of this Offer Document. Such acceptances will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holders that the Offer Shares, to which such acceptance relates, are sold:

- (i) free from all moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of the valid acceptances; and
- (ii) with all rights, benefits and entitlements attached thereto, including the right to all dividends, rights, allotments and/or distributions declared, paid or made on or after the date of the Notice.

Notwithstanding the above, if SRC declares, makes and/or pays any Distribution to its shareholders whereby the entitlement date for such Distribution is on or after the date of the Notice but before the Closing Date, MHIL will reduce the consideration for each Offer Share by an amount equivalent to the net Distribution per SRC Share which such shareholder is entitled to retain. For the avoidance of doubt, no adjustment shall be made to the consideration in the event the entitlement date for any Distribution is after the Closing Date.

2. DURATION AND REVISION OF THE OFFER

- 2.1 The Offer shall remain open for acceptances **until 5.00 p.m. on 31 January 2017** or such later date(s) as RHB Investment Bank may announce on behalf of the Offeror, unless the Offeror withdraws the Offer with the SC's written approval and in such event, every person shall be released from any obligation incurred under the Offer.
- 2.2 Where a competing take-over offer is made anytime between the Posting Date and the Closing Date, the Posting Date shall be deemed to be the date the competing take-over offer document was posted.
- 2.3 If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least 14 days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer is revised, such terms of the revised Offer will be made available to the Holders who have previously accepted the Offer.
- 2.4 The Offer shall not be revised after 24 February 2017, being the 46th day from the Posting Date or the date the competing take-over document was posted, if any.
- 2.5 Any extension of the date and time for acceptance of the Offer by the Offeror will be announced by RHB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date. Such announcement shall state the next expiry date of the Offer. Notices of such extension will be posted to the Holders accordingly.
- 2.6 As the Offer is not conditional upon any minimum level of acceptances, the Closing Date shall not be later than 10 March 2017, being the 60th day from the Posting Date.

OTHER TERMS AND CONDITIONS OF THE OFFER (Cont'd)

3. RIGHTS OF WITHDRAWAL BY AN ACCEPTING HOLDER

- 3.1 Acceptances of the Offer by a Holder **SHALL BE IRREVOCABLE** as the Offer is not conditional upon any minimum level of acceptances of the Offer Shares, unless the Offeror fails to comply with any of the requirements set out in Section 5.1 below by the close of trading on Bursa Securities on the Relevant Day. In such event, an Accepting Holder shall be entitled to withdraw his/her acceptance immediately thereafter.
- 3.2 Notwithstanding Section 3.1 above, the SC may terminate the above right of withdrawal of an acceptance not less than 8 days from the Offeror complying with the requirements of Section 5, Appendix I of this Offer Document.

4. WITHDRAWAL OF THE OFFER BY THE OFFEROR

The Offeror can only withdraw the Offer with the prior written consent of the SC and in such event, every person shall be released from any obligation incurred under the Offer.

5. ANNOUNCEMENT OF ACCEPTANCE

- 5.1 The Offeror shall inform the SC in writing and announce via Bursa LINK before 9.00 a.m. on the Relevant Day, the following information:
- (i) the position of the Offer, that is, whether the Offer is closed, revised or extended; and
 - (ii) the total number of Offer Shares:
 - (a) for which acceptances of the Offer have been received after the Posting Date;
 - (b) held by the Ultimate Offeror, Offeror and its persons acting in concert as at the Posting Date;
 - (c) agreed to be acquired by the Ultimate Offeror, Offeror and/or its persons acting in concert during the Offer Period but after the Posting Date;
- and must specify the percentage of each class of relevant securities represented by these numbers.
- 5.2 In computing the acceptances of the Offer Shares for announcement purposes, the Offeror may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- 5.3 References to the making of an announcement or the giving of notice by the Offeror shall include the following:
- (i) release of an announcement by RHB Investment Bank or the Offeror's advertising agent(s) to the press; and/or
 - (ii) the delivery of or transmission by facsimile or Bursa LINK of an announcement to Bursa Securities.
- 5.4 An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities, if applicable.

OTHER TERMS AND CONDITIONS OF THE OFFER (Cont'd)

6. PURCHASES IN THE OPEN MARKET

Should the Ultimate Offeror, Offeror or its persons acting in concert purchase or agree to purchase the Offer Shares during the Offer Period at a consideration that is higher than the Offer Price, the Offeror shall increase the consideration for the Offer to be no less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Ultimate Offeror, Offeror or its persons acting in concert during the Offer Period. In the event where the Offeror increases the consideration for the Offer, Holders who have accepted the Offer prior to the revision in the Offer Price will be paid the revised Offer Price in cash.

7. GENERAL

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

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

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

7.2 The Offer and all acceptances received under the Offer will be construed under and governed by the Malaysian laws. The courts of Malaysia will have exclusive jurisdiction in respect of any proceeding brought in relation to the Offer.

7.3 Holders may accept the Offer made to them in respect of all or part of their Offer Shares. The acceptance of a Holder shall not exceed his/her total holding of the Offer Shares, failing which the Offeror has the right to treat such acceptance as invalid. Nevertheless, the Offeror also reserves the right to treat any acceptance of a Holder exceeding his/her total holding of the Offer Shares as valid for and to extent of his/her total holding of the Offer Shares.

7.4 The Form of Acceptance and Transfer which will accompany this Offer Document will contain the following:

- (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominee(s);
- (ii) instructions to complete the Form of Acceptance and Transfer; and
- (iii) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominee(s).

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

OTHER TERMS AND CONDITIONS OF THE OFFER (Cont'd)

- 7.5 All costs and expenses of or incidental to the preparation and posting of this Offer Document (other than professional fees and other costs relating to the Offer incurred by SRC) will be borne by the Offeror. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from acceptance of the Offer will also be borne by the Offeror. The Accepting Holders will, however, bear all costs and expenses incidental to their acceptance of the Offer other than the aforesaid costs, expenses, stamp duty and transfer fees that are to be borne by the Offeror. For the avoidance of doubt, the payment of any transfer fee, tax, duty, cost, expense or other requisite payment due in a jurisdiction outside Malaysia or payment of any levy, fee, commission or cost for the repatriation of capital or income tax shall not be borne by the Offeror.
- 7.6 Accidental omission to despatch this Offer Document and the Form of Acceptance and Transfer to any Holder shall not invalidate the Offer in any way.

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PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT

1. PROCEDURES FOR ACCEPTANCE

1.1 Sections 1.1(i) to 1.1(iii) below set out the steps required to be taken by you (either individuals or corporations) to accept the Offer:

(i) Step 1: Obtain transfer documents

- (a) The Form of Acceptance and Transfer is enclosed with this Offer Document. You can also obtain a copy from the Registrar whose contact details are set out in Section 1.8 below. You may download the Form of Acceptance and Transfer from the website of Bursa Securities at www.bursamalaysia.com.
- (b) Obtain the Bursa Depository Transfer Form from your ADA/ ADM. You may also download the Bursa Depository Transfer Form from the website of Bursa Securities at www.bursamalaysia.com.

(ii) Step 2: Fill up transfer documents

Offer Shares already credited into your CDS account	Offer Shares purchased before the Closing Date but yet to be credited into your CDS account as at the Closing Date ⁽¹⁾
(a) Complete and sign the Form of Acceptance and Transfer ⁽²⁾	(a) Complete and sign the Form of Acceptance and Transfer ⁽²⁾
(b) Complete and sign the Bursa Depository Transfer Form in accordance with the instructions printed on the reverse side of the form	

Notes:

- (1) *If you have purchased the Offer Shares before the Closing Date but the Offer Shares have yet to be credited into your CDS account as at the Closing Date, please obtain the contract note from your ADA/ ADM as evidence of your beneficial ownership to the Offer Shares as at the Closing Date. You would need to forward the contract note to the Registrar and follow the procedures set out in Section 1.1(iii) below if you wish to accept the Offer.*
- (2) *If you are a corporation, you must affix your common seal which must be witnessed in accordance with your Articles of Association or other applicable regulations or signed on your behalf by an authorised officer or attorney.*

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PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT (Cont'd)

(iii) Step 3: Lodging of transfer documents

Offer Shares already credited into your CDS account	Offer Shares purchased before the Closing Date but yet to be credited into your CDS account as at the Closing Date
<p>(a) Lodge the completed and signed Bursa Depository Transfer Form with your ADA/ ADM on any Market Day. The transfer request shall be submitted by 4.00 p.m. to effect the transfer on the same Market Day provided that the request for the transfer is in compliance with the directions and Rules of Bursa Depository.</p> <p>(b) Despatch the following to the Registrar at the address shown in Section 1.8 below, by 5.00 p.m. on or before the Closing Date:</p> <p style="margin-left: 20px;">(i) the completed and signed Form of Acceptance and Transfer; and</p> <p style="margin-left: 20px;">(ii) the Depositor's Copy of Bursa Depository Transfer Form duly verified and acknowledged by your ADA/ ADM.</p>	<p>(a) Lodge the completed and signed Form of Acceptance and Transfer together with the relevant contract note or any other acceptable proof of purchase as evidence of beneficial ownership, which is duly verified by your ADA/ ADM, with the Registrar at the address shown in Section 1.8 below, by 5.00 p.m. on or before the Closing Date.</p> <p>(b) Once the Offer Shares have been credited into your CDS account, complete and sign the Bursa Depository Transfer Form according to the instructions printed on the reverse side of the form and lodge the completed and signed Bursa Depository Transfer Form with your ADA/ ADM on any Market Day. The transfer request shall be submitted by 4.00 p.m. to effect the transfer on the same Market Day provided that the request for the transfer is in compliance with the directions and Rules of Bursa Depository.</p> <p>(c) Despatch, within 14 days from the Closing Date, the Depositor's Copy of the Bursa Depository Transfer Form, duly verified and acknowledged by your ADA/ ADM to the Registrar at the address shown in Section 1.8 below.</p> <p>The Offeror has the right to treat your acceptance as invalid if the Depositor's Copy of the Bursa Depository Transfer Form is not received by the Registrar within 14 days from the Closing Date.</p>

1.2 You do not need to take any action if you decide not to accept the Offer.

1.3 No acknowledgement of the receipt of the Form of Acceptance and Transfer (or the Depository's Copy of the Bursa Depository Transfer Form and/or the relevant contract note and/or any of the accompanying acceptance documents) will be issued. All acceptances and accompanying documents sent by post are at your own risk.

1.4 If you fail to comply in all respect with any of the terms as set out in this **Appendix II** or in the Form of Acceptance and Transfer, the Offeror may, at its discretion, elect to consider whether or not you have accepted the Offer. The decision of the Offeror is final and binding.

PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT (Cont'd)

- 1.5 You may obtain additional copies of this Offer Document and the accompanying Form of Acceptance and Transfer from the office of the Registrar as provided in Section 1.8 below, during normal business hours, i.e. from 8.30 a.m. to 5.30 p.m. on Monday to Friday (excluding public holidays in Malaysia), from the Posting Date up to the Closing Date. You may download this Offer Document and the accompanying Form of Acceptance and Transfer from the website of Bursa Securities at www.bursamalaysia.com.
- 1.6 You should address all enquiries concerning the acceptance procedures for this Offer to the Registrar at the address or contact numbers stated in Section 1.8 below.
- 1.7 Under Section 14(1) of the SICDA, Bursa Securities has prescribed SRC Shares as securities required to be deposited under the CDS. Therefore, all dealings in SRC Shares have been and will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- 1.8 The details of the Registrar, whose normal business hours are from 8.30 a.m. to 5.30 p.m. on Monday to Friday (excluding public holidays in Malaysia), are as follows:

By hand and/or courier

Symphony Share Registrars Sdn Bhd
 Level 6, Symphony House
 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

By ordinary mail

Symphony Share Registrars Sdn Bhd
 Peti Surat 9150
 Pejabat Pos Kelana Jaya
 46785 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

Telephone No. : +603 - 7849 0777 (help desk)
 Facsimile : +603 - 7841 8151/ 8152

- 1.9 Invalid acceptances will be returned by ordinary mail at the Holders' own risk within 14 days after the Closing Date or, where applicable, within 14 days of receipt of the Depositor's Copy of the Bursa Depository Transfer Form duly verified by the ADA/ ADM, and/or other document(s) of title, whichever is later.

2. METHOD OF SETTLEMENT

- 2.1 The settlement of the consideration of the Offer will be effected via remittance in the form of cheque(s), banker's draft(s) or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at the Accepting Holders' registered Malaysian address last maintained with Bursa Depository in respect of valid acceptances, at their own risk within 10 days from the date of the valid acceptances.
- 2.2 Except with the consent of the SC which would only be granted in certain circumstances in which all Accepting Holders are to be treated similarly and other than the Offeror's right to reduce the consideration for the Offer as set out in Section 2.1 of this Offer Document, settlement of the consideration will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counter claim or other analogous rights to which the Offeror may otherwise be entitled against the Accepting Holder. This however, is without prejudice to the Offeror's right to make any claim against the Accepting Holder after such full settlement in respect of a breach of the warranty set out in Section 1 of **Appendix I** of this Offer Document.
- 2.3 Non-Resident Holders are advised that the settlement for the acceptance of the Offer will be made in RM. Non-Resident Holders who wish to convert the 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.

PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT (Cont'd)

3. NON-RESIDENT HOLDER

All references to “you” in this Section are to a Non-Resident Holder.

3.1 Responsibility of a Non-Resident Holder

- (i) The making of the Offer to you may be affected by the laws or regulations in your relevant jurisdiction. You should keep yourself informed about and observe any applicable legal requirements in your relevant jurisdiction.
- (ii) The Offer is being made for all the Offer Shares and is being made in Malaysia, as well as any other jurisdiction where the Offer is capable of being lawfully made in compliance with local laws or regulations.
- (iii) You may not treat this Offer Document and/or the Form of Acceptance and Transfer and/or any other Offer related documentation as an invitation or offer to sell your securities or participate in the Offer in any jurisdiction other than Malaysia.
- (iv) If you wish to accept the Offer, you are solely responsible to satisfy yourself as to the full compliance with and observance of the laws of your relevant jurisdiction and in Malaysia. You are also responsible for obtaining any governmental or other consents which may be required, and complying with the necessary formalities and legal and regulatory requirements.
- (v) You will be responsible for payment of any transfer fee or tax or other requisite payments due in such jurisdiction. The Offeror, the Registrar and us, shall be entitled to be fully indemnified and held harmless by you for any transfer fee or tax or other payments which you may be required to pay.
- (vi) You should consult your professional advisers in your relevant jurisdiction to ensure compliance with the applicable legal and other requirements. In accepting the Offer, you represent and warrant to the Offeror, the Registrar and us that:
 - (a) you are in full observance of the laws of your relevant jurisdiction;
 - (b) you have not received copies or originals of this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation in, into or from a Restricted Jurisdiction;
 - (c) you have not, in connection with the Offer or the execution or delivery of the Form of Acceptance and Transfer, utilised, directly or indirectly, the mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction;
 - (d) you are accepting the Offer from outside a Restricted Jurisdiction and are in full compliance with all necessary formalities and legal requirements of your relevant jurisdiction; and
 - (e) you would not cause the Offeror, the Registrar and us to be in breach of the laws of your relevant jurisdiction.

PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT (Cont'd)

3.2 Treatment of Offer Document and/or the Form of Acceptance and Transfer in relation to a Non-Resident Holder

- (i) The release, publication or distribution of this Offer Document, the Form(s) of Acceptance and Transfer and/or any other Offer-related documentation in any jurisdiction other than Malaysia may be affected by the laws or regulations of your relevant jurisdictions. You should keep yourself informed about and observe any applicable legal requirements in your relevant jurisdiction.
- (ii) The Offer is not being extended, and will not be extended directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdiction (unless otherwise determined by the Offeror). Accordingly, copies of this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction.
- (iii) You (including without limitation, your custodians, nominees and trustees) must not, in connection with the Offer, distribute or send this Offer Document, the Form(s) of Acceptance and Transfer and/or any other Offer related documentation into any Restricted Jurisdiction. If you or your agent or nominee receives this Offer Document, the Form(s) of Acceptance and Transfer and/or any other Offer-related documentation in a Restricted Jurisdiction where it would or might be in contravention of local laws and regulations, the Offer may be deemed invalid and may not be accepted.
- (iv) Your acceptance may be invalid and disregarded unless you have fully complied with the laws of your relevant jurisdiction. If you forward this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, you must inform the recipient of the contents of this section. The Offeror reserves the right to reject a purported acceptance of the Offer from any Non-Resident Holder in any such Restricted Jurisdiction.

3.3 The Offeror's reservation of right over acceptance by a Non-Resident Holder

The Offeror reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes such acceptance may violate any applicable legal or regulatory requirement. However, the Offeror reserves the right to permit your acceptance of the Offer in circumstances in which the Offeror is satisfied that your acceptance will not constitute a breach of any securities or other relevant legislation or impose any obligation on the Offeror not contemplated by the Offer.

3.4 Procedures for acceptance

Subject to Sections 3.1 to 3.3 above, the procedures for acceptance of the Offer as set out in Section 1 above shall apply to you.

3.5 Method of settlement

The method of settlement set out in Section 2 above shall apply to you if you have accepted the Offer and the settlement shall be made in RM.

PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT (Cont'd)

This Offer Document, together with the Form of Acceptance and Transfer, have not been made and will not be made to ensure that the Offer complies with the laws of countries or jurisdictions other than the laws of Malaysia. The Offeror, the Registrar and us shall not accept any responsibility or liability in the event that any acceptance of the Offer by a Non-Resident Holder is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions outside Malaysia.

Non-Resident Holders should therefore immediately consult their professional advisers in relation to the observance of the above and any other applicable laws. Non-Resident Holders shall be responsible for payment of any fee or commission that may be required to be paid in connection with their acceptances of the Offer or remittance of any amount due to them and shall keep the Offeror, the Registrar and us fully indemnified for the payment of such fee or commission. Please refer to Section 3 above for further information.

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INFORMATION ON MHIL

1. HISTORY AND BUSINESS

MHIL was incorporated in Labuan, Malaysia on 23 December 2015 under the Labuan Companies Act, 1990 as a private company limited by shares. MHIL is wholly-owned by HYHL, which in turn is a wholly-owned subsidiary of SHPCL. It is principally an investment holding company.

2. SHARE CAPITAL

MHIL does not have authorised share capital.

As at the LPD, the issued and paid-up share capital of MHIL is as follows:

	<u>No. of shares</u>	<u>Amount ⁽¹⁾</u> USD
Issued and paid-up share capital	1	1.00

Note:

(1) MHIL does not have par value pursuant to Section 46(1) of the Labuan Companies Act, 1990.

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

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the shareholder of MHIL who holds 5% or more of the issued and paid-up share capital of MHIL is as follows:

<u>Substantial shareholder</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
HYHL	Hong Kong	1	100.00	-	-

4. DIRECTORS

As at the LPD, the Directors of MHIL do not have any shareholding in MHIL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Youde Wang	People's Republic of China	Director	-	-	-	-
Zongquan Wang	People's Republic of China	Director	-	-	-	-

INFORMATION ON MHIL (Cont'd)
5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, the subsidiary of MHIL is as follows:

Name	Place of incorporation	MHIL's effective equity interest %	Principal activities
SRC	Malaysia	51.00	Refining and manufacturing of petroleum products, manufacturing lubricating oils to required specifications and filling of liquefied petroleum gas into cylinders

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

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of MHIL based on the unaudited financial statements of MHIL for the financial period from 23 December 2015 (date of incorporation) to 31 December 2015 and the 6-month FPE 30 June 2016 are as follows:

	Unaudited ⁽¹⁾	
	23 December 2015 to 31 December 2015 USD	FPE 30 June 2016 USD
Revenue	-	-
Operational (loss)	(1,543)	(996,370)
Exceptional items	-	-
(Loss) before taxation	(1,543)	(996,370)
Taxation	-	-
(Loss) for the year	(1,543)	(996,370)
(Loss) attributable to:		
Shareholder of MHIL	(1,543)	(996,370)
Non-controlling interests	-	-
(Loss) for the year	(1,543)	(996,370)
Number of ordinary shares in issue	1	1
(LPS) (USD)	(1,543)	(996,370)
Dividend per share (cents)	-	-
Current ratio (times)	0.36	0.93
(Net liabilities) per share (USD)	(1,542)	(997,912)
Total shareholders' (deficit)	(1,542)	(997,912)

Note:

(1) *MHIL is not required to appoint auditor for its financial statements pursuant to Section 113(1) of the Labuan Companies Act, 1990.*

INFORMATION ON MHIL (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The following is the statement of assets and liabilities of MHIL based on the unaudited financial statements of MHIL for the financial period from 23 December 2015 (date of incorporation) to 31 December 2015 and the 6-month FPE 30 June 2016:

	Unaudited ⁽¹⁾	
	As at 31 December 2015 USD	As at 30 June 2016 USD
ASSETS		
Cash and bank balances	1	19,857
Margin Deposit	-	13,500,000
Refundable deposit	150	150
Prepayments	732	-
TOTAL ASSETS	883	13,520,007
LIABILITIES		
Amount owing to shareholder	2,250	14,517,144
Accruals	175	775
TOTAL LIABILITIES	2,425	14,517,919
NET LIABILITIES	(1,542)	(997,912)
EQUITY		
Share capital	1	1
Retained (loss)	(1,543)	(997,913)
Non-controlling interests	-	-
TOTAL CAPITAL (DEFICIENCY)	(1,542)	(997,912)

Note:

(1) MHIL is not required to appoint auditor for its financial statements pursuant to Section 113(1) of the Labuan Companies Act, 1990.

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, save as disclosed in this Offer Document, there has been no known material changes in the financial position of MHIL subsequent to 31 December 2015.

Save for the refinancing or repayment of SRC's outstanding interest-bearing indebtedness, as at the date of this Offer Document, there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of SRC since 31 December 2015, being the date of the last audited statement of financial position of SRC were laid before the shareholders of SRC in the annual general meeting which was held on 26 May 2016.

INFORMATION ON MHIL (Cont'd)

9. SIGNIFICANT ACCOUNTING POLICIES

Based on the unaudited financial statements of MHIL for the financial period from 23 December 2015 to 31 December 2015 and the 6-month FPE 30 June 2016, the directors of MHIL are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Private Entities Reporting Standard.

There is no change in the aforementioned adopted accounting standards, the change thereof which would result in a material variation to the comparable figures for the unaudited financial statements of MHIL from 23 December 2015 to 31 December 2015 and the 6-month FPE 30 June 2016.

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INFORMATION ON SHPCL

1. HISTORY AND BUSINESS

SHPCL was incorporated in the People's Republic of China on 30 December 1997 under The Company Law of the People's Republic of China. SHPCL was founded in 1970 with the establishment of SLCPF and was initially involved in the manufacturing, processing, wholesaling, and retail of gasoline, diesel oil, linoleum, asphalt, and liquefied gas.

SHPCL is principally involved in manufacturing of petrochemicals. SHPCL develops, produces, processes and markets diesel oil, liquid gas, propylene, propane, polypropylene, tert-butyl alcohol, oil slurry, asphalt, tert-pentene, ethylbenzene, and other petroleum related products in Linyi County, Dezhou, Shandong Province, the People's Republic of China.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SHPCL are as follows:

	<u>No. of shares</u>	<u>Par value</u> CNY	<u>Amount</u> CNY
Authorised and issued and paid-up share capital	150,000,000	1.00	150,000,000.00

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

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of SHPCL who hold 5% or more of the issued and paid-up share capital of SHPCL are as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
SLCPF	People's Republic of China	75,858,854	50.57	-	-
Shandong Linyi County Petrochemical Factory Employee Share Ownership Scheme	People's Republic of China	35,464,980	23.64	-	-
LCLPCL	People's Republic of China	27,947,989	18.64	-	-

4. DIRECTORS

As at the LPD, the Directors of SHPCL do not have any shareholding in SHPCL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Youde Wang	People's Republic of China	Director	-	-	-	-
Chuan Cheng Gao	People's Republic of China	Director	-	-	-	-

INFORMATION ON SHPCL (Cont'd)

Name	Nationality	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Zongquan Wang	People's Republic of China	Director	-	-	-	-
Hongxiang Liu	People's Republic of China	Director	-	-	-	-
Feng Liu	People's Republic of China	Director	-	-	-	-
Guixian Du	People's Republic of China	Director	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, the subsidiary of SHPCL is as follows:

Name	Place of incorporation	SHPCL's effective equity interest %	Principal activities
HYHL	Hong Kong	100.00	Investment holding

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

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of SHPCL based on its audited consolidated financial statements for the FYEs 31 December 2013, 2014 and 2015 and its latest unaudited consolidated results for the 6-month FPE 30 June 2016 are as follows:

	Audited for the FYE 31 December			Unaudited for the 6-month FPE 30 June 2016
	2013 CNY'000	2014 CNY'000	2015 CNY'000	CNY'000
Revenue	15,890,641	14,030,628	13,598,982	6,595,377
Operating profit	454,678	423,716	450,802	256,545
Exceptional items	-	-	-	-
Profit before taxation	454,678	423,716	450,802	256,545
Taxation	(115,169)	(98,784)	(108,200)	(64,886)
Net profit for the year	339,509	324,932	342,602	191,659
Profit attributable to:				
Shareholders of SHPCL	339,509	324,932	342,602	191,659
Non-controlling interests	-	-	-	-
Net profit for the year	339,509	324,932	342,602	191,659
Number of ordinary shares in issue ('000)	150,000	150,000	150,000	150,000
EPS (CNY)	2.26	2.17	2.28	1.28
Dividend per share (CNY)	-	-	-	-
Current ratio (times)	1.18	1.29	1.34	1.40
NA per share (CNY)	13.52	15.69	17.97	19.25
Total shareholders' funds	2,028,111	2,353,042	2,695,644	2,887,303

INFORMATION ON SHPCL (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The following is the statement of assets and liabilities of SHPCL based on the audited consolidated financial statements of SHPCL for the FYE 31 December 2015 and its latest unaudited consolidated results for the 6-month FPE 30 June 2016:

	Audited as at 31 December 2015	Unaudited as at 30 June 2016
	CNY'000	CNY'000
ASSETS		
Current assets		
Cash and cash equivalent	1,396,891	1,435,928
Notes receivable	31,000	-
Accounts receivable	503,384	675,816
Other receivables	110	187
Advances to suppliers	1,298,528	1,295,279
Inventory	1,214,748	1,289,369
Total current assets	4,444,661	4,696,579
Non-current assets		
Long-term equity investments	4,566	4,566
Fixed assets	1,375,319	1,263,759
Construction in progress	52,700	109,759
Construction materials	1,287	20,602
Intangible assets	138,947	138,947
Total non-current assets	1,572,819	1,537,633
TOTAL ASSETS	6,017,480	6,234,212
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	1,613,300	1,572,300
Notes payable	420,000	885,000
Accounts payable	1,261,980	867,783
Advance received from customers	7,249	1,238
Accrued payroll	123	36
Taxes payable	1,788	3,239
Dividends payable	17,215	17,215
Other payables	181	98
Total current liabilities	3,321,836	3,346,909
TOTAL LIABILITIES	3,321,836	3,346,909
Shareholders' equity		
Paid in equity	150,000	150,000
Capital reserves	307,147	307,147
Surplus reserves	1,542,235	1,542,235
Retained earnings	696,262	887,920
Non-controlling interests	-	-
TOTAL SHAREHOLDERS' EQUITY	2,695,644	2,887,303
TOTAL EQUITY AND LIABILITIES	6,017,480	6,234,212

INFORMATION ON SHPCL (Cont'd)

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, save as disclosed in this Offer Document, there has been no known material change in the financial position of SHPCL subsequent to 31 December 2015, being the date of its last audited financial statements.

Save for the refinancing or repayment of SRC's outstanding interest-bearing indebtedness, as at the date of this Offer Document, there has not been, within the knowledge of the Ultimate Offeror, any material change in the financial position or prospects of SRC since 31 December 2015, being the date of the last audited statement of financial position of SRC were laid before the shareholders of SRC at the annual general meeting which was held on 26 May 2016.

9. SIGNIFICANT ACCOUNTING POLICIES

Based on the audited consolidated financial statements of SHPCL for the FYEs 31 December 2013, 2014 and 2015 and its latest unaudited consolidated results for the 6-month FPE 30 June 2016, the financial accounts have been prepared based on the "Accounting Standards for Business Enterprises" issued by the Ministry of Finance of the People's Republic of China and there was no audit qualification for SHPCL's financial statements for the respective years under review.

There is no change in the aforementioned adopted accounting standards, the change thereof which would result in a material variation to the comparable figures for the audited consolidated financial statements of SHPCL for the FYEs 31 December 2013, 2014 and 2015 and its latest unaudited consolidated results for the 6-month FPE 30 June 2016.

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INFORMATION ON HYHL

1. HISTORY AND BUSINESS

HYHL was incorporated in Hong Kong on 18 September 2012 under the Hong Kong Companies Ordinance as a private limited company under its present name. It is principally an investment holding company.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of HYHL are as follows:

	<u>No. of shares</u>	<u>Par value</u>	<u>Amount</u>
		HKD	HKD
Authorised and issued and paid-up share capital	5,000,000	-	5,000,000.00

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

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the substantial shareholder of HYHL who holds 5% or more of the issued and paid-up share capital of HYHL is as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
SHPCL	People's Republic of China	5,000,000	100.00	-	-

4. DIRECTOR

As at the LPD, the Director of HYHL does not have any shareholding in HYHL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Youde Wang	People's Republic of China	Director	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, the subsidiary of HYHL is as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>HYHL's effective equity interest</u>	<u>Principal activities</u>
		%	
MHIL	Labuan, Malaysia	100.00	Investment holding

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

INFORMATION ON LCLPCL

1. HISTORY AND BUSINESS

LCLPCL was incorporated in the People's Republic of China on 31 July 1997 under The Company Law of the People's Republic of China. LCLPCL is principally engaged in freight, sale of petroleum products, chemical products, textile products, machinery and electrical appliances, instruments, building materials, daily chemical, hardware and electrical equipment (wholesale and retail).

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of LCLPCL are as follows:

	<u>No. of shares</u>	<u>Par value</u> CNY	<u>Amount</u> CNY
Authorised and issued and paid-up share capital	8,000,000	1.00	8,000,000.00

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

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of LCLPCL who hold 5% or more of the issued and paid-up share capital of LCLPCL are as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
SHPGCL	People's Republic of China	5,000,000	62.50	-	-
SHPCL	People's Republic of China	3,000,000	37.50	-	-

4. DIRECTORS

As at the LPD, the Directors of SHPCL do not have any shareholding in SHPCL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Guozhang Ning	People's Republic of China	Director	-	-	-	-
Guangcheng Li	People's Republic of China	Director	-	-	-	-
Jun Pan	People's Republic of China	Director	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, LCLPCL does not have any subsidiary and associate company.

INFORMATION ON SLCL**1. HISTORY AND BUSINESS**

SLCL was incorporated in the People's Republic of China on 13 August 1997 under the Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People. SLCL is principally engaged in manufacturing and marketing of linoleum and asphalt.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SHPCL are as follows:

	<u>No. of shares</u>	<u>Par value</u>	<u>Amount</u>
		CNY	CNY
Authorised and issued and paid-up share capital	10,000,000	1.00	10,000,000.00

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

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the substantial shareholder of SLCL who holds 5% or more of the issued and paid-up share capital of SLCL is as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
SHPGCL	People's Republic of China	10,000,000	100.00	-	-

4. DIRECTORS

SLCL does not have board of directors.

SLCL was not incorporated in the form of company and it was incorporated under the Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People, therefore, it is implementing the factory director (manager) responsibility system instead of the board of directors.

As at the LPD, the factory director (manager) of SLCL does not have any shareholding in SLCL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Chengfeng Wang	People's Republic of China	Factory director (manager)	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, SLCL does not have any subsidiary and associate company.

INFORMATION ON SLCPF**1. HISTORY AND BUSINESS**

SLCPF was incorporated in the People's Republic of China on 3 October 1989 under the Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People. SLCPF was founded in 1970 and is principally engaged in manufacturing, processing, wholesale and retail of gasoline, diesel oil, linoleum, asphalt and liquefied gas.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SHPCL are as follows:

	<u>No. of shares</u>	<u>Par value</u> CNY	<u>Amount</u> CNY
Authorised and issued and paid-up share capital	100,140,000	1.00	100,140,000.00

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

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the substantial shareholder of SLCPF who holds 5% or more of the issued and paid-up share capital of SLCPF is as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
SHPGCL	People's Republic of China	100,140,000	100.00	-	-

4. DIRECTORS

SLCPF does not have board of directors.

SLCPF was not incorporated in the form of company and it was incorporated under the Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People, therefore, it is implementing the factory director (manager) responsibility system instead of the board of directors.

As at the LPD, the factory director (manager) of SLCPF does not have any shareholding in SLCPF, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Youde Wang	People's Republic of China	Factory director (manager)	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, the subsidiary of SLCPF is as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>SLCPF's effective equity interest</u> %	<u>Principal activities</u>
SHPCL	People's Republic of China	50.57	Manufacturing of petrochemicals

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

INFORMATION ON SHPGCL

1. HISTORY AND BUSINESS

SHPGCL was incorporated in the People's Republic of China on 7 October 1997 under The Company Law of the People's Republic of China. SHPGCL is principally engaged in the production of petroleum products, liquefied gas, asphalt, linoleum, propylene, polypropylene, inorganic salt series products, arts and crafts, jade and labour protection appliance, pure water sales, logistics and freight.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SHPCL are as follows:

	<u>No. of shares</u>	<u>Par value</u> CNY	<u>Amount</u> CNY
Authorised and issued and paid-up share capital	100,140,000	1.00	100,140,000.00

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

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, the substantial shareholder of SHPGCL who holds 5% or more of the issued and paid-up share capital of SHPGCL is as follows:

<u>Substantial shareholders</u>	<u>Place of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
State-owned Asset Administration Bureau of Linyi County (China) (临邑县国资局 (中国))	People's Republic of China	100,140,000	100.00	-	-

4. DIRECTORS

As at the LPD, the Directors of SHPGCL do not have any shareholding in SHPGCL, as shown in the table below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Youde Wang	People's Republic of China	Director	-	-	-	-
Chuan Cheng Gao	People's Republic of China	Director	-	-	-	-
Yongge Liu	People's Republic of China	Director	-	-	-	-

INFORMATION ON SHPGCL (Cont'd)**5. SUBSIDIARIES AND ASSOCIATE COMPANY**

As at the LPD, the subsidiaries of SHPGCL are as follows:

Name	Place of incorporation	SHPGCL's effective equity interest %	Principal activities
SLCPF	People's Republic of China	100.00	Manufacturing, processing, wholesale and retail of gasoline, diesel oil, linoleum, asphalt and liquefied gas
SLCL	People's Republic of China	100.00	Manufacturing and marketing of linoleum and asphalt
LCLPCL	People's Republic of China	62.50	Freight, sale of petroleum products, chemical products, textile products, machinery and electrical appliances, instruments, building materials, daily chemical, hardware and electrical equipment (wholesale and retail)

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

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INFORMATION ON SRC

1. HISTORY AND BUSINESS

SRC was incorporated in Malaysia on 19 September 1960 under the Act as a public company limited by shares. The company was listed on the Main Board of the then Kuala Lumpur Stock Exchange (*now known as the Main Market of Bursa Securities*) on 29 October 1962.

SRC is principally engaged in refining and manufacturing of petroleum products, manufacturing lubricating oils to required specifications and filling of liquefied petroleum gas into cylinders.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SRC are as follows:

	<u>No. of shares</u>	<u>Par value</u> RM	<u>Amount</u> RM
Authorised and issued and paid-up share capital	300,000,000	1.00	300,000,000.00

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

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of SRC who hold 5% or more of the issued and paid-up share capital of SRC and their respective shareholdings in SRC are as follows:

Name	Place of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
RHB Nominees (Tempatan) Sdn Bhd Industrial and Commercial Bank of China (M) Bhd pledged securities account for – MHIL	Malaysia	153,000,000	51.00	-	-
Citigroup Nominees (Tempatan) Sdn Bhd – EPF	Malaysia	22,913,847	7.64	-	-
ARTB – Amanah Saham Bumiputera	Malaysia	19,856,600	6.62	-	-
HYHL	Hong Kong	-	-	153,000,000 ⁽¹⁾	51.00
SHPCL	People's Republic of China	-	-	153,000,000 ⁽¹⁾	51.00
LCLPCL	People's Republic of China	-	-	153,000,000 ⁽¹⁾	51.00
SLCL	People's Republic of China	-	-	153,000,000 ⁽¹⁾	51.00
SLCPF	People's Republic of China	-	-	153,000,000 ⁽¹⁾	51.00
SHPGCL	People's Republic of China	-	-	153,000,000 ⁽¹⁾	51.00

INFORMATION ON SRC (Cont'd)

Note:

(1) Deemed interest by virtue of its indirect interests in MHIL pursuant to Section 6A of the Act.

4. DIRECTORS

As at the LPD, the Directors of SRC do not have any shareholding in SRC, as shown in the table below:

Name	Nationality	Designation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Youde Wang	People's Republic of China	Non-Independent Non-Executive Chairman	-	-	-	-
Martinus Joseph Marinus Aloysius Stals (Maarten Stals)	Dutch	Managing Director and Executive Director	-	-	-	-
Zongquan Wang	People's Republic of China	Non-Independent Non-Executive Director	-	-	-	-
Jianyun Sun	People's Republic of China	Non-Independent Non-Executive Director	-	-	-	-
Dato' Seri Talaat bin Haji Husain	Malaysian	Senior Independent Non-Executive Director	-	-	-	-
Datuk Zainun Aishah binti Ahmad	Malaysian	Independent Non-Executive Director	-	-	-	-
Lau Nai Pek	Malaysian	Independent Non-Executive Director	-	-	-	-
Datuk Yau Ah Lan @ Fara Yvonne	Malaysian	Independent Non-Executive Director	-	-	-	-
Heng Heyok Chiang @ Heng Hock Cheng	Malaysian	Independent Non-Executive Director	-	-	-	-

5. SUBSIDIARY AND ASSOCIATE COMPANY

As at the LPD, SRC does not have any subsidiary or associate company.

ADDITIONAL INFORMATION

1. CONSENTS

RHB Investment Bank has given and has not subsequently withdrawn its written consent to the inclusion of its name, letter and all references to it in the form and context in which they appear in this Offer Document.

Citigroup Global Markets Asia Limited has given and has not subsequently withdrawn its written consent to the inclusion of its name and all reference to it in the form and context in which they appear in this Offer Document.

Linklaters LLP has given and has not subsequently withdrawn its written consent to the inclusion of its name and all reference to it in the form and context in which they appear in this Offer Document.

Zul Rafique & Partners has given and has not subsequently withdrawn its written consent to the inclusion of its name and all reference to it in the form and context in which they appear in this Offer Document.

Symphony Share Registrars Sdn Bhd has given and has not subsequently withdrawn its written consent to the inclusion of its name and all reference to it in the form and context in which they appear in this Offer Document.

AmInvestment Bank Berhad as the Independent Adviser has given and has not subsequently withdrawn its written consent to the inclusion of its name and all reference to it in the form and context in which they appear in this Offer Document.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SRC SHARES

2.1 Disclosure of interests in SRC Shares

2.1.1 By the Offeror and the Directors of the Offeror

Save as disclosed below, the Offeror and the Directors of the Offeror do not have any interest, direct or indirect, in SRC Shares as at the LPD:

Name	Direct		Indirect	
	No. of SRC Shares	%	No. of SRC Shares	%
MHIL	153,000,000 ⁽¹⁾	51.00	-	-

Note:

(1) As at the LPD, save for the SPA, there is no agreement, arrangement or understanding between the Offeror and the Offeree shareholders.

As at the LPD, the Offeror and the Directors of the Offeror do not have any option to acquire additional SRC Shares.

ADDITIONAL INFORMATION (Cont'd)**2.1.2 By the Ultimate Offeror and the Directors of the Ultimate Offeror**

Save as disclosed below, the Ultimate Offeror and the Directors of the Ultimate Offeror do not have any interest, direct or indirect, in SRC Shares as at the LPD:

Name	Direct		Indirect	
	No. of SRC Shares	%	No. of SRC Shares	%
SHPCL	-	-	153,000,000 ^{(1) and (2)}	51.00

Notes:

- (1) Deemed interested by virtue of its direct/ indirect interest in MHIL.
- (2) As at the LPD, save for the SPA, there is no agreement, arrangement or understanding between the Ultimate Offeror and the Offeree shareholders.

The Ultimate Offeror and the Directors of the Ultimate Offeror do not have any option to acquire additional SRC Shares as at the LPD.

2.1.3 By the PACs

Save as disclosed below, none of the PACs has any other interest, direct or indirect, in SRC Shares as at the LPD:

Name	Direct		Indirect	
	No. of SRC Shares	%	No. of SRC Shares	%
HYHL	-	-	153,000,000 ^{(1) and (2)}	51.00
SHPCL	-	-	153,000,000 ^{(1) and (2)}	51.00
LCLPCL	-	-	153,000,000 ^{(1) and (2)}	51.00
SLCL	-	-	153,000,000 ^{(1) and (2)}	51.00
SLCPF	-	-	153,000,000 ^{(1) and (2)}	51.00
SHPGCL	-	-	153,000,000 ^{(1) and (2)}	51.00

Notes:

- (1) Deemed interested by virtue of its direct/ indirect interest in MHIL.
- (2) As at the LPD, save for the SPA, there is no agreement, arrangement or understanding between the PACs and the Offeree shareholders.

As at the LPD, the PACs do not have any option to acquire additional SRC Shares.

2.1.4 By persons who have irrevocably committed to accept the Offer

As at the LPD, neither the Offeror nor its PACs has received any irrevocable undertaking from any Holder to accept the Offer.

ADDITIONAL INFORMATION (Cont'd)**2.1.5 By persons who have any arrangement with the Offeror**

As at the LPD, neither the Offeror nor its PACs has entered into any arrangement of the kind referred to in Note 3 to Paragraph 19.04, Part D of the Rules with any person.

2.1.6 Borrowing or lending of SRC Shares

As at the LPD, neither the Offeror nor its PACs has borrowed SRC Shares from another person or lent any SRC Shares to another person.

2.2 Dealings in SRC Shares

Save as disclosed below, the Offeror, the Ultimate Offeror, the PACs and the Directors of the Offeror and the Ultimate Offeror have not dealt, whether directly or indirectly, in SRC Shares during the period commencing 6 months prior to the commencement of the Offer Period up to and including the LPD:

Name	Completion date of the transaction	Nature of transaction	SRC Shares purchased		Price per SRC Share RM
			No. of SRC Shares	% of holdings	
MHIL	22 December 2016	Acquisition	153,000,000	51.00	1.92

2.3 General

- (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 Director of SRC as compensation for loss of office or otherwise in connection with the Offer.
- (ii) As at the LPD, save for the SPA, there is no agreement, arrangement or understanding that exists between the Offeror, the Ultimate Offeror or the PACs and any of the existing Directors or recent Directors of SRC (being such person who was, during the period of 6 months prior to the beginning of the Offer Period, a Director), or any of the existing shareholders or recent shareholders of SRC (being such person who was, during the period of 6 months prior to the beginning of the Offer Period, a shareholder) having any connection with or dependence upon the Offer.
- (iii) As at the LPD, there is no agreement, arrangement or understanding whereby any of the Offer Share acquired by the Offeror pursuant to the Offer will be transferred to any other person.
- (iv) All the Offer Shares accepted under the Offer will be registered in the name of the Offeror and/or its appointed nominee(s), if any.

ADDITIONAL INFORMATION (Cont'd)

3. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of MHIL located at Unit 3(l), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan F.T., Malaysia during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (except public holidays) from the date of this Offer Document up to and including the Closing Date:

- (i) the Memorandum and Articles of Association of MHIL and SHPCL;
- (ii) the letters of consent referred to in Section 1 of **Appendix XI**;
- (iii) the Notice as referred to in **Section 1.4** of this Offer Document; and
- (iv) a copy of the letter from the SC dated 6 January 2017 in relation to this Offer Document.

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