

THIS NOTIFICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you have sold or transferred all your ordinary shares of RM1.00 each in Shell Refining Company (Federation of Malaya) Berhad ("**Offer Shares**"), you should at once hand this Notification to the purchaser or stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee of such Offer Shares.

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

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

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

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(Company No: 3926-U)
(Incorporated in Malaysia)

NOTIFICATION TO THE SHAREHOLDERS OF SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD

**IN RELATION TO THE RECEIPT OF NOTICE OF UNCONDITIONAL TAKE-OVER
OFFER DATED 19 DECEMBER 2016**

FROM
RHB INVESTMENT BANK BERHAD

ON BEHALF OF
MALAYSIA HENGYUAN INTERNATIONAL LIMITED

This Notification is dated 27 December 2016

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(Company Number: 3926-U)
(Incorporated in Malaysia)

Registered Office:-

Level 8, Symphony House
Block D13, Pusat Dagangan
Dana 1, Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Date: 27 December 2016

Board of Directors:-

Mr. Wang, YouDe

(Chairman, Non-Independent Non-Executive Director)

Mr. Martinus Joseph Marinus Aloysius Stals

(Managing Director and Executive Director)

Mr. Wang, ZongQuan

(Non-Independent Non-Executive Director)

Mr. Sun, JianYun

(Non-Independent Non-Executive Director)

Y.Bhg. Dato' Seri Talaat bin Haji Husain,

DDSA, SPMP, DPCM, DPMP, JSD, PJK, PJM

(Senior Independent Non-Executive Director)

Y.Bhg. Datuk Zainun Aishah binti Ahmad,

KMN, PMP, DPMP, JSM, PJN

(Independent Non-Executive Director)

Mr. David Lau Nai Pek

(Independent Non-Executive Director)

Y.Bhg. Datuk Yvonne Chia, DPMW

(Independent Non-Executive Director)

Mr. Heng Hock Cheng

(Independent Non-Executive Director)

To: The Shareholders of Shell Refining Company (Federation of Malaya) Berhad

Dear Sir/Madam

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD ("SRC" OR "COMPANY")

**RECEIPT OF NOTICE OF UNCONDITIONAL TAKE-OVER OFFER DATED 19 DECEMBER 2016
FROM RHB INVESTMENT BANK BERHAD ("RHB INVESTMENT BANK") ON BEHALF OF
MALAYSIA HENGYUAN INTERNATIONAL LIMITED ("MHIL" OR "OFFEROR") ("NOTICE")**

1. INTRODUCTION

We wish to inform you that on 2 February 2016, the Board of Directors of SRC ("Board") had announced that they had on 1 February 2016, received a letter/copy of press notice from RHB

Investment Bank, acting as principal adviser for MHIL dated 1 February 2016, wherein SRC was notified that MHIL had on 1 February 2016 entered into a conditional sale and purchase agreement ("**SPA**") with Shell Overseas Holdings Limited ("**SOHL**") for the acquisition by MHIL of 153,000,000 ordinary shares of RM1.00 each held by SOHL in SRC ("**Sale Shares**"), representing 51.0% of the total issued and paid up share capital of SRC for a total cash consideration of USD66,300,000.00, representing an offer price of USD0.43 per Sale Share (equivalent to RM274,979,250.00 or RM1.80 per Sale Share).

On 4 October 2016, the Board had announced the receipt of a copy of a press release/notice from RHB Investment Bank, on behalf of MHIL, notifying that the period for the conditions precedent to be fulfilled under the SPA has been extended from the initial period of eight (8) months from the date of the SPA to 31 October 2016. Further, on 31 October 2016, the Board had announced the receipt of another copy of a press release/notice from RHB Investment Bank, on behalf of MHIL, notifying that the period for the conditions precedent to be fulfilled under the SPA had been further extended to 17 November 2016.

On 18 November 2016, the Board had announced the receipt of a copy of a press release ("**New Press Release**") issued by RHB Investment Bank, on behalf of MHIL, notifying that the conditions precedents to the SPA had been fulfilled on 17 November 2016 ("**Fulfillment Date**"). Notwithstanding the foregoing, the Board was further informed that based on the New Press Release, the SPA will only become unconditional upon the occurrence of certain events as set out in the New Press Release.

On 19 December 2016, the Board had announced that it had received the Notice from RHB Investment Bank, on behalf of the Offeror stating that the Offeror will undertake a take-over offer to acquire all the remaining ordinary shares of RM1.00 each in SRC not already owned by the Offeror ("**Offer Shares**") for a cash offer price of RM1.92 per Offer Share ("**Offer**"). A copy of the Notice is enclosed herewith.

2. **CONDITIONS OF THE OFFER**

The offer is not conditional upon any minimum level of acceptance of the Offer Shares. Further details on the Offer are set out in the enclosed Notice.

3. **APPOINTMENT OF INDEPENDENT ADVISER**

In accordance with the Rule 3 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**"), the Board (save for Datuk Iain John Lo, Amir Hamzah bin Abu Bakar and Michael John Carey ("**Interested Directors**"), who are deemed interested in the Offer) had, on 24 November 2016, appointed AmlInvestment Bank Berhad as the independent adviser ("**Independent Adviser**") to advise the non-interested Directors and holders of the Offer Shares in relation to the Offer.

4. **DOCUMENTS RELATING TO THE OFFER**

The purpose of this Notification is to inform you of the Offer. Please note that this Notification does not constitute an offer. The document outlining the terms and conditions of the Offer ("**Offer Document**") together with the form of acceptance and transfer will be despatched to you by RHB Investment Bank, on behalf of the Offeror, within twenty-one (21) days from the date of the Notice or any extended period of time as may be directed or permitted by the Securities Commission Malaysia ("**SC**").

The Independent Advice Circular from the Independent Adviser will be despatched to you within ten (10) days from the date of despatch of the Offer Document or any later date as may be approved by the SC.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

Yours faithfully

For and on behalf of the Board of

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD

Y.BHG. DATO' SERI TALAAT BIN HAJI HUSAIN,
DDSA, SPMP, DPCM, DPMP, JSD, PJK, PJM
Senior Independent Non-Executive Director

**NOTICE OF UNCONDITIONAL TAKE-OVER OFFER
DATED 19 DECEMBER 2016 FROM RHB INVESTMENT BANK BERHAD
ON BEHALF OF MALAYSIA HENGYUAN INTERNATIONAL LIMITED**

19 December 2016

The Board of Directors
Shell Refining Company (Federation of Malaya) Berhad
Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD ("SRC" OR "OFFEREE")
NOTICE OF UNCONDITIONAL TAKE-OVER OFFER ("NOTICE")

1. INTRODUCTION

On 1 February 2016, Malaysia Hengyuan International Limited ("**MHIL**" or "**Offeror**"), a wholly-owned subsidiary of Heng Yuan Holdings Limited ("**HYHL**"), which in turn is a wholly-owned subsidiary of Shandong Hengyuan Petrochemical Company Limited ("**SHPCL**"), had entered into a conditional Sale and Purchase Agreement ("**SPA**") to acquire 153,000,000 ordinary shares of RM1.00 each in SRC ("**SRC Share(s)**"), representing 51.00% of the voting shares of SRC from Shell Overseas Holdings Limited ("**Vendor**") for a total cash consideration of United States Dollar ("**USD**") 66,300,000, representing an offer price of USD0.43 per SRC Share (for illustration purposes, the total cash consideration is equivalent to Ringgit Malaysia ("**RM**") 274,979,250 or RM1.80 per SRC Share based on the foreign 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) ("**Acquisition**").

The SPA has become unconditional on the date of this Notice. The Acquisition is effected via direct business transaction 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 foreign exchange rate of USD1.00:RM4.4310 as at 19 December 2016 ("**Purchase Consideration**"), and will be completed on 22 December 2016.

Accordingly, upon completion of the Acquisition, MHIL's interest in SRC will increase from nil to 51.00%. Pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 ("**CMSA**") and Paragraph 4.01, Part B of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), MHIL is obliged to extend a mandatory take-over offer for all the remaining 147,000,000 SRC Shares representing 49.00% equity interest in SRC which are not already owned by MHIL and Persons Acting in Concert with MHIL ("**PACs**") upon completion of the Acquisition ("**Offer Share(s)**") ("**Offer**"). The cash offer price shall be the RM equivalent of the Purchase Consideration based on the foreign exchange rate of USD1.00:RM4.4310 as at 19 December 2016, being the unconditional date of the SPA.

Pursuant to Section 216 of the CMSA, the following persons shall be presumed to be persons acting in concert with MHIL:

- (a) HYHL, being the holding company of MHIL;
- (b) SHPCL, which is the ultimate offeror for the Offer ("**Ultimate Offeror**"), holds 100.00% of the voting shares of HYHL which is the holding company of MHIL;

- (c) Linyi County Linhai Petrochemical Company Limited ("**LCLPCL**"), a 62.50%-owned subsidiary of Shandong Hengyuan Petrochemical Group Company Limited ("**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;
- (d) Shandong Linyi County Linoleum ("**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;
- (e) Shandong Linyi County Petrochemical Factory ("**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
- (f) SHPGCL, being the ultimate holding company of MHIL.

The shareholdings details of the Offeror and its PACs in SRC are set out in Section 6 of this Notice.

2. THE OFFER

In accordance with Paragraph 9.10(1)(b)(i), Part C of the Rules, on behalf of the Offeror, we, RHB Investment Bank Berhad ("**RHB Investment Bank**"), hereby serve this Notice to the Board of Directors of SRC to acquire the Offer Shares at a cash offer price of **RM1.92** per Offer Share ("**Offer Price**").

The Offer is being made to each holder of the Offer Shares ("**Holder(s)**") for all of his/her Offer Shares, subject to the terms and conditions of the Offer.

To accept the Offer, the Holders will have to refer to the procedures for acceptance which will be detailed in the document outlining the terms and conditions of the Offer ("**Offer Document**") together with the accompanying form(s) of acceptance and transfer to be posted to them in due course.

3. 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 Securities Commission Malaysia ("**SC**"), include the following:

3.1 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 dividend and/or other distributions ("**Distribution(s)**") to its shareholders whereby the entitlement date for such Distribution is on or after the date of this Notice but before the Closing Date (as defined in Section 3.5(a) of this Notice), 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 defined in Section 3.5(a) of this Notice).

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 Holders who accept the Offer ("**Accepting Holder(s)**") and entitlements to the cash payment will be rounded down to the nearest whole sen.

The Offer Price represents the following:

- (a) 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 announcement of the Acquisition:

	Share price RM	(Discount)	
		RM	%
Last traded price of SRC Shares on 29 January 2016	4.94	(3.02)	(61.13)
5-day Volume Weighted Average Market Price ("VWAMP") of SRC Shares up to and including 29 January 2016	4.95	(3.03)	(61.21)
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	5.61	(3.69)	(65.78)
6-month VWAMP of SRC Shares up to and including 29 January 2016	5.61	(3.69)	(65.78)

(Source: Bloomberg)

- (b) 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 this Notice:

	Share price RM	(Discount)	
		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)

(Source: Bloomberg)

3.2 Conditions of the Offer

The Offer is not conditional upon any minimum level of acceptances of the Offer Shares.

3.3 Despatch of the Offer Document

Unless otherwise directed or permitted by the SC to defer in doing so, the Offer will be made by the posting of the Offer Document on a date falling within 21 days from the date of this Notice ("**Posting Date**"). An application for an extension of time will be made to the SC if the posting of the Offer Document is expected to be deferred beyond the requisite 21 days.

Subject to Section 3.11 of this Notice, the Offer Document will be posted to the Board of Directors of SRC and all the Holders whose name appear in the Record of Depositors of SRC as at the latest practicable date prior to the posting of the Offer Document.

3.4 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 the Offer Document. Such acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which such acceptance relates, are sold:

- (a) free from all moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of valid acceptances; and
- (b) 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 this Notice, subject to Section 3.1 of this Notice.

3.5 Duration and revision of the Offer

- (a) The Offer shall remain open for acceptances until 5.00 p.m. (Malaysian Standard Time) for a period of not less than 21 days from the Posting Date or such later date(s) as RHB Investment Bank may announce on behalf of the Offeror ("**Closing Date**"), 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.
- (b) Where a competing take-over offer is made at any time between the Posting Date and the Closing Date, the Posting Date shall be deemed to be the date the competing take-over offer document was posted.
- (c) 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.
- (d) The Offer shall not be revised after the 46th day from the Posting Date or the date the competing take-over document was posted, if any.
- (e) 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.
- (f) As the Offer is not conditional upon any minimum level of acceptances, the Closing Date shall not be later than the 60th day from the Posting Date.

3.6 Rights of withdrawal by an Accepting Holder

- (a) 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 3.9(a) of this Notice by the close of trading on Bursa Malaysia Securities Berhad ("**Bursa Securities**") on the market day following the day on which the Offer is closed, revised or extended ("**Relevant Day**"). In such event, an Accepting Holder shall be entitled to withdraw his/her acceptance immediately thereafter.

- (b) Notwithstanding Section 3.6(a) above, the SC may terminate the above right of withdrawal of an acceptance not less than 8 days from:
 - (i) the Offeror complying with the requirements of Section 3.9 of this Notice; and
 - (ii) the Offeror confirming, if such is the case, that the take-over offer is still unconditional as to acceptances by way of announcement to Bursa Securities, by press notice where relevant to the SC in writing.
- (c) However, the right of any Holder who has withdrawn his/her acceptance shall not be prejudiced by the termination of such right of withdrawal by the SC.

3.7 Withdrawal of the Offer by the Offeror

The Offeror can only withdraw the Offer with the prior written consent of the SC.

3.8 Method of settlement

If the Offeror deems the acceptance to be complete and valid in all respects in accordance with the terms and conditions set out in the Offer Document, 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 Malaysia Depository Sdn Bhd ("**Bursa Depository**") in respect of valid acceptances, at their own risk within 10 days from the date of the valid acceptances.

Except with the consent of the SC which would only be granted in certain circumstances in which all Holders are to be treated similarly and other than the right of the Offeror to reduce the consideration for the Offer as set out in Section 3.1 of this Notice, settlement of the consideration for the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right to 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 3.4 of this Notice.

3.9 Announcement of acceptance

- (a) The Offeror shall inform the SC in writing and announce via Bursa Securities' Listing Information Network ("**Bursa LINK**") before 9.00 a.m. (Malaysian Standard Time) 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:
 - (aa) for which acceptances of the Offer have been received after the Posting Date;
 - (bb) held by the Ultimate Offeror, Offeror and its PACs as at the Posting Date;
 - (cc) agreed to be acquired by the Ultimate Offeror, Offeror and/or its PACs during the offer period but after the Posting Date;

and must specify the percentage of each class of relevant securities represented by these numbers.

- (b) 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.
- (c) 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.
- (d) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities, if applicable.

3.10 Purchases in the open market

Should the Ultimate Offeror, Offeror or its PACs 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 PACs 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.

3.11 General

- (a) 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, the Offer Document shall be made available on the website of Bursa Securities at www.bursamalaysia.com upon issuance.

Unless the contrary is proven, delivery of 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.

- (b) 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.
- (c) 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 the extent of his/her total holding of the Offer Shares.

- (d) The form(s) of acceptance and transfer which will accompany the 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(s) 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(s) of acceptance and transfer will be issued.

- (e) All costs and expenses of or incidental to the preparation and posting of the 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.
- (f) Accidental omission to despatch the Offer Document and the form(s) of acceptance and transfer to any Holder shall not invalidate the Offer in any way.

4. LISTING STATUS OF SRC, COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING SHAREHOLDER

4.1 Listing status of SRC

Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("**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 the listed issuer 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) 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:

- (a) 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

- (b) 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. However, in the event the Offeror receives valid acceptances resulting in the Offeror and its PACs holding in aggregate nine-tenths (9/10) in the nominal value of the Offer Shares (excluding the SRC Shares already held by the Offeror and its PACs at the date of the Offer), it is the intention of the Offeror to invoke the compulsory acquisition as set out in Section 4.2 of this Notice. 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 to rectify the shortfall in the public shareholding spread of SRC.

4.2 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 PACs 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 Holders who have not accepted the Offer ("**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 to be set out in the Offer Document and in accordance with Section 222(1) of the CMSA.

4.3 Rights of Dissenting Shareholders

Notwithstanding Section 4.2 of this Notice, if the Offeror receives valid acceptances from the Holders resulting in the Offeror and its PACs holding not less than nine-tenths (9/10) in the nominal value of the existing issued and paid-up share capital of SRC (including SRC Shares already held by the Offeror and its PACs) 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 the 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 the Offeror and its PACs have acquired not less than nine-tenths (9/10) in the nominal value of the existing 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 Dissenting Shareholders and in any event, such period shall not be less than 3 months after the Closing Date.

5. INFORMATION ON MHIL AND ITS PACs

5.1 Information on MHIL

MHIL was incorporated in Labuan, Malaysia on 23 December 2015 under the Labuan Companies Act, 1990 as a private limited 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.

As at the date of this Notice, MHIL does not have any subsidiary and associate company.

As at the date of this Notice, the issued and paid-up share capital of MHIL is USD1.00 comprising 1 ordinary share. MHIL does not have authorised share capital.

5.2 Information on PACs

Pursuant to Section 216 of the CMSA, the following persons shall be presumed to be persons acting in concert with MHIL:

(a) HYHL

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.

As at the date of this Notice, the subsidiary of HYHL is as follows:

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

As at the date of this Notice, HYHL does not have any associate company.

As at the date of this Notice, the authorised and paid-up share capital of HYHL is Hong Kong Dollar ("HKD") 5,000,000 comprising 5,000,000 ordinary shares.

(b) SHPCL

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 Shandong Linyi County Petrochemical Factory 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.

As at the date of this Notice, 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 date of this Notice, SHPCL does not have any associate company.

As at the date of this Notice, the authorised and issued and paid-up share capital of SHPCL is Chinese Yuan ("CNY") 150,000,000 comprising 150,000,000 ordinary shares of CNY1.00 each.

SHPCL is also the Ultimate Offeror for the Offer.

(c) LCLPCL

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).

As at the date of this Notice, LCLPCL does not have any subsidiary and associate company.

As at the date of this Notice, the authorised and issued and paid-up share capital of LCLPCL is CNY8,000,000 comprising 8,000,000 ordinary shares of CNY1.00 each.

(d) SLCL

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.

As at the date of this Notice, SLCL does not have any subsidiary and associate company.

As at the date of this Notice, the authorised and issued and paid-up share capital of SLCL is CNY10,000,000 comprising 10,000,000 ordinary shares of CNY1.00 each.

(e) **SLCPF**

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 is principally engaged in manufacturing, processing, wholesale and retail of gasoline, diesel oil, linoleum, asphalt and liquefied gas.

As at the date of this Notice, 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 date of this Notice, SLCPF does not have any associate company.

As at the date of this Notice, the authorised and issued and paid-up share capital of SLCPF is CNY10,014 comprising 10,014 ordinary shares of CNY1.00 each.

(f) **SHPGCL**

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.

As at the date of this Notice, the subsidiaries of SHPGCL are as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>SHPGCL's effective equity interest</u>	<u>Principal activities</u>
		%	
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 date of this Notice, SHPGCL does not have any associate company.

As at the date of this Notice, the authorised and issued and paid-up share capital of SHPGCL is CNY100,140,000 comprising 100,140,000 ordinary shares of CNY1.00 each.

6. DISCLOSURE OF INTERESTS IN SRC

In accordance with Paragraph 9.10(3), Part C of the Rules, the Offeror and its PACs hereby disclose the following:

- (a) as at the date of this Notice, the Offeror and its PACs do not hold any SRC Share. However, upon completion of the Acquisition, the direct and indirect interests of the Offeror and its PACs in SRC are as follows:

Name	Direct		Indirect	
	No. of SRC Shares	%	No. of SRC Shares	%
Offeror:				
MHIL	153,000,000	51.00	-	-
PACs:				
HYHL	-	-	153,000,000 ⁽¹⁾	51.00
SHPCL *	-	-	153,000,000 ⁽¹⁾	51.00
LCLPCL	-	-	153,000,000 ⁽¹⁾	51.00
SLCL	-	-	153,000,000 ⁽¹⁾	51.00
SLCPF	-	-	153,000,000 ⁽¹⁾	51.00
SHPGCL	-	-	153,000,000 ⁽¹⁾	51.00

Notes:

* Being the Ultimate Offeror for the Offer.

(1) Deemed interested by virtue of its direct/ indirect interest in MHIL.

- (b) as at the date of this Notice, neither the Offeror nor its PACs has not received any irrevocable undertaking from any Holder to accept the Offer;
- (c) as at the date of this Notice, 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; and
- (d) as at the date of this Notice, neither the Offeror nor its PACs has borrowed SRC Shares from another person or lent any SRC Shares to another person.

7. FINANCIAL RESOURCES OF THE OFFEROR

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.

8. RESPONSIBILITY STATEMENT

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

9. PUBLIC RELEASE

In accordance with the provisions of the Rules, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

Further details of the Offer will be set out in the Offer Document, which will be despatched to the Holders in due course.

We would be grateful if you could acknowledge receipt by signing and returning to us the duplicate copy of this Notice.

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



LEE BENG YEW
Director
Corporate Finance




EVELYN KONG
Associate Director
Corporate Finance

TO: RHB INVESTMENT BANK BERHAD

We, Shell Refining Company (Federation of Malaya) Berhad, hereby acknowledge receipt of this Notice of Unconditional Take-Over Offer by RHB Investment Bank Berhad, on behalf of Malaysia Hengyuan International Limited dated 19 December 2016.

Authorised signatory

: 

Name

: **TIA HWEI PING**
Company Secretary

Designation

: **COMPANY SECRETARY**

Date

: **19 DECEMBER 2016**

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